Secret. II.37—45,000—15-11-35.

L. S. G. (1937) Department.

Ms. SERIES.

G.O. No. 380

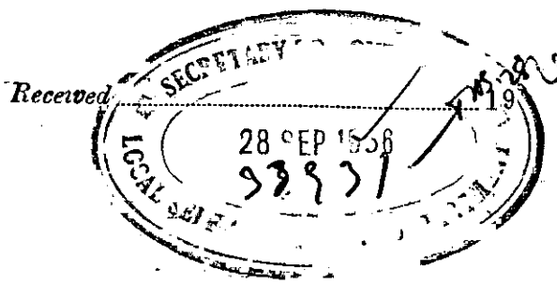
DATED 28-1-1937.

Despatch Abstract.

Notes.

North Kanara District Board - Bridge over the Dulihole - Construction - Claims of the contractor - Settlement - Instructions issued.

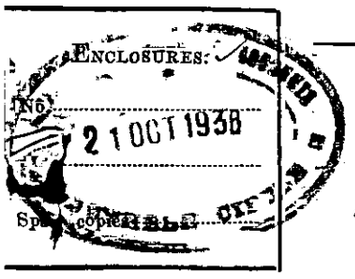
DEPARTMENT.



Received ..... 19 *Registered* 19

Subject.

Work - constructing a bridge over Dulihole river at 0/8 of Someshwar Koteshwar road - claims of the contractor.



Ref. No. 7492-A2/35

Station Mangalore, *Dated the* 18th September 19 36

From (Name) M.R.Ry Dewan Bahadur B.Mahabala Hegde Avl., B.A., B.L.,
(Designation) President, District Board, S.Kanara.

To The Secretary to the Government of Madras
Local Self Government Department.
Madras.

Sir,

Agreeably to Superintending Engineer's recommendation, the several claims of the contractor of the bridge work referred to above, were referred to M.R.Ry K.Sadashiva Adiga Avl., a leading and Senior Advocate of the Mangalore bar, for opinion.

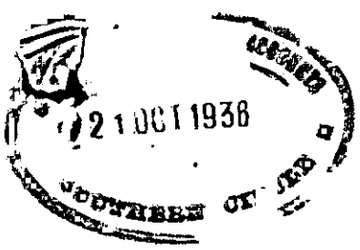
2. The contractor's claims come directly under two important categories, viz., (1) Payment on lump-sum items "on actuals" and (2) payment on the items of work not included in the estimate of the work, but were done under the supervision of the officers of Engineering department.

3. These claims seem to me to be reasonable in view of the following facts governing the claims of the contractor :-

(i) The agreement should have been prepared in accordance with the items contained in the sanctioned -- estimate. The tender of the contractor was a percentage tender and naturally the percentage should have been calculated as per the sanctioned estimate. The words "actuals" in respect of lump-sum items though were found in the - sanctioned estimate, were omitted in the schedule attached to the agreement. It cannot be explained at this distant date how this omission took place. But it seems to me that this omission was due to a mere accident. The very fact that payments were being made to the contractor on lump-sum items based "on actuals" from the beginning of the work in 1929 till about 1932 without any objection from the Audit Department goes to show that though the words "on actuals" were omitted in the shedule of the agreement, it was thought that there was nothing irregular in making lump sum payments on actuals until it was brought to notice by the Superintending Engineer in or about 1932. Legal opinion obtained in this matter is also in favour of the contractor. The Advocate has carefully gone into the facts and has given a considered opinion.

(2) Items of works not included in the estimate but were executed: The contractor represents that several items of work have been done by him either in -- excess of the provision made in the estimate or which have not been included in the sanctioned estimate but were found necessary during actual execution. The District Board -- Engineer, South Kanara is reported to have disallowed or rejected some of them on the ground that they are not -- included in the revised estimate. The grievances of the

contractor in this respect also appear to me to be -- reasonable, for the reason that those items were done under the direct supervision of departmental officers, who did not object to their execution until they were finished. In fairness, therefore, when an item of work is done which is in the best interest of the work, it has to be paid for,. The mere fact that it is not included in the estimate is not sound reason at all to disallow a just claim. I think therefore that such of the items as have been done in the best interest of the work should be included in the revised estimate now under preparation and payments made therefor. If this is not done I am afraid legal difficulties may arise.



4. The work in question was commenced in the year 1929 and was more or less at a stand still till 1934-35. It was only when the contract was transferred from the original contractor to the present man towards the end of 1934-35, that the work was resumed in right earnest and has just been completed. The present -- contractor has invested a large amount of money on the work and has pushed through the work speedily to the satisfaction of the Engineering department. To refuse him payment now on the items which he has actually executed would be an injustice.

5. I therefore request that the Government may be pleased to consider and sanction all the claims in question with reference to the above facts and the legal opinion.

Copies of (a) Contractor's petition,
(b) District Board Engineer's remarks thereon and
(c) Superintending Engineer's letter referred to above

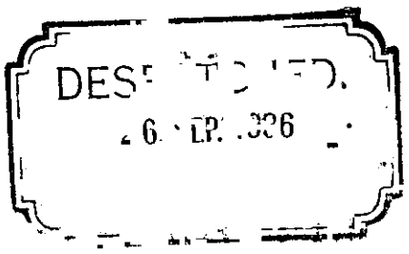
and (d) opinion of Mr. Adiga in original are --
enclosed for ready reference.

I have the honour to be

Sir,

Your most obedient servant,

President,
S.Kanara District Board.



KGB 22.9.36

Compd. 23 9 36.

5

Mangalore,

Dated 16th March 1936.

To

The President, District Board,

South Kanara,

Through

The District Board Engineer,

South Kanara.

DHULIHOLE BRIDGE-WORKS.

Having come to understand that the Superintending Engineer has objected to the inclusion in the Revised Estimate of the actuals required under certain sub heads for which 'lumpsum on actuals' were provided in the original estimate, I beg to represent the following facts for your kind consideration:--

2 OCT 1936

During preparation of the original estimate for the work, lumpsums to be paid or actuals were provided for certain items or work, as usual in such cases, as the exact requirements in each case could not be definitely foreseen. When funds were allotted for the work after sanction, per centage tenders were called for and not rate tenders, when the contractor had no opportunity or necessity to scrutinize the lumpsum provision in the estimate. Neither this notice nor the tenders of my predecessor in title specified that only the lump sums noted against the particular items were to be paid for irrespective of the actual work turned out, nor was it the intention to bind the contractor to these figures noted in the estimate, as may be seen from the facts that payments were made only as per actual work turned out. I may also be permitted to point out that the Superintending Engineer, when he inspected the work in 1930, himself approved certain deviations and also payment of sinking work at Rs 30/- per 100 c.ft. If the present contention of the Superintending Engineer that these lumpsums are to be restricted to the figures noted in the

agreement, the same officer would certainly not have -- approved payment of work done at the rate which practically means payment on actuals. Even the audit department seems to have accepted this view that actuals were payable and not lumpsums. It may thus be seen that the provisions of the original estimate alone stands.

I may add that in those days when the significance of the word 'actuals' was not known to the Departmental Overseers who drew up the agreements or to the contractors who do not possess knowledge of English language, the word seems to have been omitted inadvertantly as in the case of many other agreements then -- prepared. To bind the contractor to these lumpsums and recover all excess now from the contractor will result in a loss of 6 to 8 thousand rupees and will crush the contractor beyond all hopes of recovery.

It might thus be seen that there is a chance of a grave injustice being done to the contractor if the Superintending Engineer's version is accepted on a mere so-called technical flaw in the agreement and the contractor therefore respectfully begs to request that Government might kindly be addressed to condone this flaw, if any, in the agreement and order payment -- according to the intentions of both the Department and the contractor at the time of inviting tenders for the work.

Your most obedient servant

Sd/- Rudrappa Shetty

From
K.Rudrappa Shetty,
L.F.Contractor, Dhulihole Bridge Works.

(True Copy)

President,
S.K.District Board.

KGB 22.9.36
Compd. 23.9.36

Ref.C. 3302/D.E.29.

Remarks of the District Board Engineer,S.Kanara.

In the original estimate, the following items have been noted as Lump sum on actuals.

1.	Iron fittings for moulds of curbs	L.S.on actuals.	50- 0- 0
2.	Conveyance of moulds and fittings and cost of fitting and dismantling	"	80- 0- 0
3.	Moulds for R.C.work ..	"	100- 0- 0
4.	Coffer dam and gunny bags	"	200- 0- 0
5.	Sinking wells	"	1750- 0- 0
6.	Baling water	"	300- 0- 0
7.	Painting steel works	"	300- 0- 0
8.	Earthwork in foundation and approaches		1000- 0- 0
9.	Repairs and conveyances of Tools and plants		200- 0- 0
10.	Coolie lines and sheds ..		500- 0- 0
11.	Clearing jungle ..		250- 0- 0
			4740 0 0

21 1936

The tender of V.Parameshwarayya is a premium tender based on the original estimate and the Agreement, therefore, should have been a copy of this original estimate but in the agreement, however, the wording "on actuals" has been omitted. Payments made hitherto(practically all prior to 1932)are on actuals. The II revised Estimate which was first submitted in April 1935, provision was made"for actuals" The Superintending Engineer,however, in his letter No. 795 dated 11-6-1935 objected to the actuals being provided and was of opinion that the contractor was only entitled to "Lump Sum" in the agreement. Further, reference was made in this office letter 3302/D.E. 29 dated 2-8-1935 pointing out the above and requesting the Superintending Engineer's instructions whether in the view of the above,"Lump Sum" as per agreement was to be made or "Lump Sum" on actuals" were to be provided. The Superintending Engineer states he was of opinion that only Lump Sum of the agreement should be provided. The

P.T.O.

Revised Estimate submitted makes provision only for Lump Sum as per agreement and a recovery of about Rs 6000/- to Rs 7000/- has to be made from the contractor as he has given an understanding that any recovery to be made from V.Parameshwarayya could be made from his bills.

Mangalore)
18-3-1936.)

(sd) P.S.Barboza
Dt.Board Engineer, South Kanara

/True copy/

President,
Dt.Board,S.Kanara.

DJK/23.9.36

compd. 23.9.36.

Public Works Department

From

H. S. Northey Esquire,
Superintending Engineer,
Coimbatore Circle, Coimbatore.

To

The President, District Board,
South Kanara.

No 518 M dated 15.4.36.

Sir,

Constructing the Dhulihole bridge at 0/7½ of Road No 17-second revised estimate for the returned with remarks.

Ref. From the Dt Board Engineer Letter No 3302/29/DE dated Nil March 1936.

From the President, District Board, Ref No 7492/A2/35 dated 27.3.36.

With reference to the contractor's petition dated 16.3.36 forwarded with your letter noted above, Ido not see why my dealing technically with an estimate or revised estimate justifies your request for me to consider the petition. The contract is one entered into by the Board with the contractor and I have nothing to do either with the contract or with the contractor's petitions. It is for you and the District Board Engineer to consider such petitions and to deal with them and therefore the petition is herewith returned to you.

2. Payment of actuals in place of L.S.items in the agreement.

a) I invite a reference to your No. 7492/ A2/35 dated 25.1.36 with which you forwarded the District Board Engineer's report for my consideration and issue of instructions. The only reason for the departure from the contract lump sum items given by the District Board Engineer is that "the words on actuals appear to be an omission and mistake in the agreement" and that this ommission and mistake appear to have been condoned by the L.F. Officers responsible for making payments. I invite a reference to para 2 of my letter No 185 M dated 10.2.36 wherein I have dealt with this question and you have not adduced any fresh grounds on which a reconsideration of the point could be justified.

b) The contract is a document binding on both the parties to it

and the question of actuals in place of the lump sum amounts in the contract schedule appears to be solely a legal one and I do not see that any decision should be made by me. It is for the Board to take a final decision in the matter. In so far as my technical sanction to the re-vised estimate is concerned ,unless full and detailed information is supplied to justify the large sums shown as actuals, they cannot be passed as they are not susceptible to any check. Also adequate reasons should be furnished for departing from the definite terms of the agree-ment. It is no reason to say that there is an omission in the agree-ment or that the local officers were and are of a particular view in regard to this question. The work carries a half grant from Government and unless I am convinced of the fairness and justice involved in the conversion of "Lump sum" to "Actuals" I must decline to pass such items in the estimate.

3. In regard to the 2nd revised estimate which has now been brought down to Rs 53000 the following remarks are made.

a(i) Item 9 b. Departmental supply of moulds for steining Rs 345 and Rs 38 for conveyance thereof to site.

21 OCT 1936

It has been explained by the District Board Engineer that because of the wear and tear in the original set of contractor's moulds, two sets were made departmentally and supplied at site to the contractor. Here again is a deviation from the contract. Para 4 of the contract refers to payments "according to the rates herein specified " and para 6 requires the contractor to carry out alteration or addi-tions "on the same conditions as the main work". Under the circumstances the departmental supply of moulds for the additional depth of wells does not appear to be justified. In my opinion one set of noulds would have been ample for the additional 52½ rft and the charge of Rs 345 plus Rs 38 is most excessive. The original depth of wells was 104 ft and the contract and original estimate provision was each about Re 1 per rft and any additional rate proposed for the additional depth of wells should bear a reasonable proportion to the original rate. I re-quest that you will please furnish a fuller report of the circumstances under which the department undertook the supply of the two sets of

moulds and the justification for such supply.

ii) In the remarks column of the comparative statement it is said that this expenditure of Rs 345 was incurred by the department in 1932/33. I invite a reference to your letter No 145 A/2/32 dated 20.1.34 in which you had reported that there was"no progress of of work worth *the name since 1932*". Wprk appears to have been resumed in 1935 after the original contractor *had made over to/the contract* to another person,vide District Board Engineer's letter to you R.O. C. 3302/ DE 29 dated 2.8.35. Under the circumstances the statement that the expenditure regarding moulds was incurred in 1932/33 appears to be incorrect.

b) Item 12 (a). Sinking wells. The work was repirted to have been stopped pending settlement of an overall rate for rft which was also reported to have been under correspondence with the L.F.Inspector of Accounts who, incidentally it is observed, has not yet furnished his opinion. All this delay and uncertainty could have been avoided if there had been no attempt to evolve a suitable rate for the addi--tional depth of sinking and if, as done now, a proportionate rate had been provided in the revised estimate and paid to the con--tractor. It may be pointed out here that I was not against paying a reasonable rft rate for the extra depth of sinking but my remarks regarding this item were only about the wholly untenable and wrong data prepared in support of the proposed rate of Rs 70 per rft. However as you now propose only a poroportinnate amount based on the agreement amount for the additional depth of sinking, it is accepted and it is no use trying to evolve a rate long after the sinking is completed.

Item 13- Baling water.

(i) That the contractor is entitled to get free of charges, a pump ing set from the department, is accepted, but it is pointed out you that this proviso in the agreement should have been in. also. In this connection I invite your attention to para 2 of the District Board Engineer's letter to you Ref 3302/ DE 29 dated ---

moulds and the justification for such supply.

ii) In the remarks column of the comparative statement it is said that this expenditure of Rs 345 was incurred by the department in 1932/33. I invite a reference to your letter No 145 M/2/32 dated 20.1.34 in which you had reported that there was"no progress of of work worth the name since 1932". Wprk appears to have been resumed in 1935 after the original contractor had made over tø/the contract to another person,vide District Board Engineer's letter to you R.O. C. 3302/ DE 29 dated 2.8.35. Under the circumstances the statement that the expenditure regarding moulds was incurred in 1932/33 appears to be incorrect.

b) Item 12 (a). Sinking wells. The work was repirted to have been stopped pending settlement of an overall rate for rft which was alsp reported to have been under correspondence with the L.F.Inspector of Accounts who, incidentally it is observed, has not yet furnished his opinion. All this delay and uncertainty could have been avoided if there had been no attempt to evolve a suitable rate for the additional depth of sinking and if, as done now, a proportionate rate had been provided in the revised estimate and paid to the contractor. It may be pointed out here that I was not against paying a reasonable rft rate for the extra depth of sinking but my remarks regarding this item were only about the wholly untenable and wrong data prepared in support of the proposed rate of Rs 70 per rft. However as you now propose only a poroportinnate amount based on the agreement amount for the additional depth of sinking, it is accepted and it is no use trying to evolve a rate long after the sinking is completed.

Item 13- Baling water.

(i) That the contractor is entitled to get free of charges, a pumping set from the department, is accepted, but it is pointed out to you that this proviso in the agreement should have been in English also. In this connection I invite your attention to para 2 of the District Board Engineer's letter to you Ref 3302/ DE 29 dated ---

12.4.35 wherein he had reported that the supply and working of the pumps by the department was found to(~~xx~~) work very unsatisfactorily If, as ~~was~~ reported in 1935, the pumps were supplied and worked by the department, it is not clear what item 13 of the agreement schedule stands for. However, it is presumed that the statement that the pumps were <u>also worked departmentally</u> is incorret and that the con--tractor has borne all the running expenses of the pump.

ii) I-invite your attention to the remarks contained in para 8(iv) of my letter No 1430 M.dated 24.10.35 (vide also remarks of the District Board Engineer *in page 3 of his letter No R.O.C. 3302/DE 29* dated 2.8.35) and request that you will pleaselet me know whether you have satisfied yourself that the amount of Rs 1605 being hire, con--veyance and repairs to the pumping set is an item of justifiable expenditure.

d) <u>Item 16 -Steel work- supplied at Gangolly</u> . In the first revised estimate ~~estimate~~, sanctioned by the Superintending Engineer in 1931 a sum of Rs 6241 was provided for the steel work and this amount has now been reduced to Rs 5780 under the usual "Lump sum on actuals" The reduction in amount should have been explained in the remarks column of the comparative statement.

e) <u>Item 19- R.C.deck.</u> The remarks in the comparative statement state that the reduction in the thickness is "as ordered by the Super--intending Engineer " It is presumed that the District Board Engineer has verified it and satisfied himself that the reduced thickness is adequate.

f) <u>Item 23- Earthwork.</u>

i) In the revised estimate, last returned with remarks, there was a provision in all of Rs 2791 under this item and the work involved in it was required to be clearly specified. Instead, the revised esti mate now provided only Rs 1695 and the previous amount of Rs 2791 as not been explained.

ii) <u>Item 23 (a)/Rs 695</u> . This amount is said to be for cutting the old banks to place the well curbs in position at Rs 1,00. It is pre-sumed that the banks have undergone no change in levels since the pre-

21 OCT 1938

-paration of the estimate and if so it is not clear whether the cut-ting of old banks is not part of the "earthwork for foundations " vide item 23. In the 1st revised estimate sanctioned in 1931, the re-mark against this item was that the item represented granite boul-ders excavated and removed by crow bars. It should please be made clear to which item of work the amount refers.

g) Item 34. Test- loading- Rs 998 .

i) The amount of Rs 998 said to have been incurred on test loading is very high and it should have been carried out more cheaply.

ii) Report on the results of test loading . The test loading was ordered by the Superintending Engineer in his letter No 57 M dated 17.1.33. As the soil at the level to which the wells were proposed to be sunk, was not definitely known to be suitable and a further report was definitely called for together with the test load observation. This report has not been received and the work has come up to the superstructure level and girders are being erected. As the report has not been furnished and as the work has been allowed to proceed with without obtaining my further advice in the matter of the adequacy of the depth of wells, I request you will please state why I should not decline to deal with the estimate any further. The failur to make the report is a serious omission and it is a point very adverse to the District Board's work.

4. The 2nd revised estimate is herewith returned and I request that you will consider the various issues involved in the matter and take necessary action. Regarding the contractor's petition I consider that it is necessary to be quite clear of the commitments involved in it before the 2nd revised estimate is sanctioned. It appears necessary to obtain an authoritative legal opinion in the matter, if necessary through the Government so that further revisions of the estimate may be avoided.

Sd: H.S. Northey
Supdg Engineer,
Coimbatore Circle.

2/14/X

C.N.o 33931 from the R.D.B., S. Kanara
No. 7492-A2-35, dt. 18-9-36

Copied UK 14/X

Dy 13/X1/36

Sub Works - S. Kanara DF Bridge over the Dibikote Construction - Claims of contractor

Memo No. 33931-1-Cl. dt 13/10/36

Dy 1/11/36

Referred to the Exv EFA for early remark

11/X

1/11/36

To
The Exv EFA (with cf enclosures to be returned with reply.)

1 encl

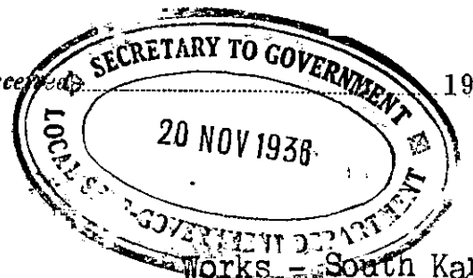
Dy 14/11/36

Thro R/D
No. 7892 12.10.36
14/10

Papers returned herewith

NOTE. The D. OOs has applied separately for the balance of grant due for the work on the basis of the revised estimate. As the revised estimate is

Local Fund Audit **DEPARTMENT.**



Received ..... 19 *Registered* 1 T 22 24 19

39701

Subject.

Works - South Kanara District Board - Bridge over the Dulihole - Construction - Claims of contractor.

ENCLOSURES.
No. .....
.....
Spare copies .....

L.F. No 3955

Station Fort St. George ....., *Dated the* 19th November 1936. ~~19~~ 20

From (Name) M.R.Ry.R.Rajagopala Ayyar Avargal,

(Designation) Offg.Examiner of Local Fund Accounts,

Madras.

To The Secretary to the Government of Madras,

Local Self Government *Department.*

Sir,

In returning herewith the papers referred to me for remarks in Government Memorandum No.33931-1-C-1,L.S.G.,dated the 13th October 1936,on the subject referred to above,I have the honour to state as under.

Two points have been referred to in the President's letter, namely;

(i) Payment of lump sum on actuals, and

(ii) Payments for items of work not included in the estimate.

The first point was already referred to Government and was disposed of in G.O.No.522,L&M. ~~Ms.~~ dated the 27th January 1934. This decision was based on Government Memorandum No. 2706/1 C, dated the 28th January 1931.

Legal opinion was also taken by the President. The opinion of the lawyers dated the 23rd October 1932 and the 7th March 1933 was against allowing tender premium on rated items - vide copies enclosed.

The present reference is based on a third legal opinion obtained by the present President on the 10th August 1936.

Legal opinion obtained in 1936 differs from those obtained in 1932 and 1933. In the absence of any additional reasons or fresh authorities in support of the changed legal opinion obtained in August 1936, there is no sufficient reason to disregard the opinions obtained in 1932 and in 1933 and to modify the orders already passed.

There was a fine opportunity for the President to have made the situation definite and clear when a fresh contract was entered into in 1935, long after the issue of the Government Memorandum of 1931 and in G.O.No.522, L&M., dated the 27th January 1934, but this was lost.

The estimate for the work was based on the high rates provided in the Schedule of Rates for 1929. The work was given out on contract at 15 per cent premium over these high rates.

The rates in the Schedule of Rates were reduced by 10 per cent in 1931.

There was no progress on the work since 1932 and the work was practically at a stand still till 1934-35 - vide paragraph 4 of the President's letter.

In the interests of the Board, fresh tenders should have been invited and fresh contract settled in 1935 as payment under the old contract resulted in a payment of 10 per cent extra rates as per estimate and 15 per cent tender premium thereon. The contractor was paid for work executed under the contract of 1935 practically 27 per cent extra (10 plus $\frac{15 \times 100}{90}$). There can, therefore, be no question of loss to the contractor.

As regards the second point, payment will be due only for such items as had been executed under the written orders of the officers of the Engineering Department. If the contractor chose to execute any items of work not provided for in the estimate without taking written orders he should be held to have done so at his

risk and no payment will be due unless the necessity for the execution of the items is certified to by the District Board Engineer and approved by the Superintending Engineer.

Attention is, in this connection, invited to paragraphs 49 (a) of the Audit Report for 1933-34 and 62 of 1934-35.

I have the honour to be,
Sir,
Your most obedient servant,

R Rangopalatarar

Offg.Examiner of Local Fund Accts.

Opinion of M.R.Ry.N.N.Suvarna Avargal,B.A.,B.L.,Vice-President,District Board,South Kanara.

The contractor tendered at premium of 15¾ per cent + 18¾ per cent over the rates of sanctioned estimates and not ~~for~~ on lump sum items. Finally at the time of the acceptance of the tenders, 15 per cent was agreed to one both sides and accordingly the agreement was drawn up. In the agreement I find a clause "add tendered premium". In calculating the premium the Engineer concerned took even the lump sum items into consideration. This is evidently an error as only the rated items of sanctioned estimate could be affected by the premium to be added. An error like this which is only an error in calculation cannot furnish a basis for any additional claim on the part of the contractor. To understand the meaning of the words "Tendered premium" we have to refer to the tender itself. This can always be done in the case of contracts to explain or improperly interprete the significance of expressions found in the agreement or contract. Besides in this case,at the bottom of the tender the contractor binds himself to what is specified by him in the tender if his tender was accepted. Substantially it has been accepted. For all these reasons,the figures in the agreement cannot be rectified in the light of the tender by restricting the premium only to the rated items. Payments to the contractor can therefore be made at 15 per cent in respect of the rated items while the lump sum items will be paid as they are specified in estimate without any premium.

Mangalore,
23rd October 1932.

N.N.Suvarna,
Vice-President,District Board

(True copy)

19/4/36

Retransmitted.

The claims of the contractor have been dealt with point by point below.

1. Tender premium on non-rated items. The claim is legally unsustainable and has to be rejected for the following among other reasons.

(a) The contractor's tender only states the ratio on rated or sanctioned estimate". The contractor should have expressly stated that he wanted percentage over lump sum items also. The omission to do so is fatal to his claim.

(b) The argument that the clause, paragraph 2 of the tender notice "Any additional work found necessary during execution but not included in the estimate will be valued according to schedule of current rates and such value will be subject to the percentage tendered applies to this case is fallacious. The claim is for tender percentage for items of work included in the estimate and so that clause does not help the contractor in any way.

(c) The insertion at the bottom of the schedule in the contractor's agreement of tender percentage on all items including non-rated items is wholly unauthorised and not binding on the Board. The President, District Board, accepted the tender as for rated items and the agreement should have been in accordance with it. The inclusion of tender percentage on non rated items has never been accepted by the President nor had the District Board Engineer any authority to deviate from the accepted tender.

Not available in Records. A

(d) Government Memorandum No.2706/1 C,I&M., dated the 28th January 1931 forwarding for guidance the Examiner's opinion on the subject, clearly states that the tendered rate should be limited to items for which definite rates are provided in the sanctioned estimate.

(e) Mr.N.N.Suvarna's opinion dated the 23rd October 1932 supports the above views.

2. Sinking wells. The estimate provided a lump sum on actuals. This is somewhat indefinite and is open to interpretation in favour of the contractor. The question is whether for 50 c.ft.

of well sunk.we have to pay for 28.4 c.ft.extra as it represents the extra volume of excavation which is incidental and unavoidable. This is a purely technical matter on which I feel I am not competent to say anything. The responsibility for paying the extra has to be taken by the Engineering Department. If it is objected to by the Audit Department the responsibility will not be on the Board or Members. Subject to this condition the District Board Engineer may be asked to deal with the claim as he thinks fit.

3. Dressing rock bottom. This is a claim for extra payment for future work. Actuals having been paid in the past,he has not suffered in any way on that account. The claim to be paid extra for this item in future appears to be reasonable.

4. Special extra rates for labour. The grievance of the contractors in this matter appears to be real and worthy of relief but legally we are helpless since we cannot pay higher than the schedule rates. If Government agree the extra demand by the contractor may be paid.

5. Separate payment for sinking and baling. Payment on the combined roster of coolies engaged in both the items of work seems to be right and the contractor's claim is inadmissible.

6. Extra lead for metal conveyed from longer distances. The contractor had agreed not to claim this in his statement given before his tender was accepted. Hence his claim is untenable.

Puttur,
7th March 1933.

M.Shiva Rao,
President,Taluk Board.

(True copy)

AUDIT REPORT ON THE GENERAL FUND ACCOUNTS OF THE SOUTH KANARA DISTRICT BOARD, FOR THE YEAR 1934-1935.

Name of Auditor: Mr. V. Natesa Ayyar, District Inspector of Local Fund Accounts.

Time taken for audit: From 1st October 1935 to 18th November 1935.

The Office of President was held by M.R.Ry A.B. Shetty Avl., M.L.C., from 1st April 1934 to 31st March 1935.

2. The opening balance in the Cash Book is in agreement with the closing balance according to the cash book of the District Board and of the defunct Taluk Boards except to the extent detailed in the annual objection statement. The closing balance viz., Rs. 2,62,061/15/11 was in agreement with the Treasury Pass Book after allowing for outstanding cheques and unremitted revenue in hand at the close of the year.

PART I -- GENERAL REVIEW.

3. Budget and actuals:-

The inaccurate budgetting of receipts and charges pointed out in paragraph 3 of the Audit Report for 1933-34, was noticed in 1934-35 also. Though the budget was framed and sanctioned by the Board on 31st May 1934, long after the abolition of the Taluk Boards, the estimates of the opening balance, the receipts and charges were not framed with sufficient accuracy as shown below:-

	Budget.	Actuals.
Opening Balance.	Rs. 3,18,860	Rs. 3,51,810
Receipts (ordinary)	" 10,44,850	" 12,02,835
Receipts (Capital)	" 5,38,000	" 99,512
Charges (ordinary)	" 12,03,340	" 12,26,883
Charges (Capital)	" 6,40,510	" 1,65,212
Closing balance	" 57,860	" 2,62,062

The above figures show that the ordinary receipts exceeded the budget estimate by over one and a half lakhs, that capital receipts fell short by four and a half lakhs and that the Board spent only one lakh and sixty five thousand under

Capital works against the provision of six lakhs and forty - thousand. Due to the failure to spend adequately on the maintenance of II class Roads, the Board was able to draw for 1934-35 only Rs. 100,198/-, for II class Roads maintenance against the increased maximum of Rs. 103,920/- newly fixed in 1934-35. The full amount of Government grants allotted for special works such as the construction of a bridge over the Dhulihole etc., could not be drawn, as the Board failed to execute and spend the necessary amounts. The ordinary charges exceeded the ordinary receipts by about twenty four thousand. In paragraph 10 of G.O. No. Ms. 526 L & M., dated 9th February 1935, passing orders on the budget for 1934-35 Government remarked that the Board should see that the receipts and expenditure are balanced.

(b) The following figures show how the realisations under certain important items of Revenue fell short of the anticipated income.

Items.	Budget.		Actuals.
Profession tax.	16,500	(a)	11,305
Entertainment tax	1,000	(a)	354
Fees for licence on Motor vehicles	1,00,000		64,588
Ferry rents.	48,000		44,908
Income from licences	7,500	(a)	5,976

(a) A separate collection establishment was employed for the collection of these items.

4. The irregularities noticed during the audit have been communicated to the President and the District Board Engineer in objection statements which should be read as part of this Audit Report.

PART II -- FINANCIAL ADMINISTRATION.

5. Outstanding objections:-

(a) The Audit Report for 1933-34. sent to the President on 23rd January 1934. was received back only on 10th September 1935 and the orders of Government on the replies are awaited.

No further reports, as to the action taken, have been received though such were promised. Important objections pending settlement are mentioned below. The objection statements for the period from May 1934 to March 1935 are all pending return with replies. Attempts to settle the pending objections to the extent possible during the annual audit were also not adequate. Further remarks have been issued in respect of all objection statements returned with replies. The early settlement of all the outstandings objections demands earnest attention.

(b) Pending objections - District Board portion:

1. Para 6 (d) of the Audit Report for 1933-34

Rs. 500/- paid for Leprosy Work :-

The sanction of the Inspector of Municipal Councils and Local Boards should be obtained for the payment of the amount as a contribution under Rule 4 (2) of Schedule V of the Local Boards Act of 1920.

2) & 3) Paragraphs 9 and 10 of the Audit Report: Avenue Receipts and licence fees for temporary erections etc :-

The defects referred to continued in 1934-35 also. No proper account of Demand, Collection and Balance of these items of revenue was maintained.

(4) Paragraph (a) to (c) of the Audit Report - Licence fees for permenent encroachments (culverts and drain coverings).

The licence fees due were pending collection in a number of cases detailed in the annual objection statement. The papers connected with the grant of the licences are also pending production in several cases detailed in the Annual Objection statement.

(5) Paragraph 12 (b) - Rent of lands:-

Items 1 and 6 temporary leases - P.M. Narayana Pai and others - - Rs. 36/- :

In resolution No.71 dated 28th February 1933, the Board resolved to file suits and to recover the amounts of

No further reports, as to the action taken, have been received though such were promised. Important objections pending settlement are mentioned below. The objection statements for the period from May 1934 to March 1935 are all pending return with replies. Attempts to settle the pending objections to the extent possible during the annual audit were also not adequate. Further remarks have been issued in respect of all objection statements returned with replies. The early settlement of all the outstandings objections demands earnest attention.

(b) Pending objections - District Board portion:

1. Para 6 (d) of the Audit Report for 1933-34

Rs. 500/- paid for Leprosy Work :-

The sanction of the Inspector of Municipal Councils and Local Boards should be obtained for the payment of the amount as a contribution under Rule 4 (2_o) of Schedule V of the Local Boards Act of 1920.

2) & 3) Paragraphs 9 and 10 of the Audit Report:

Avenue Receipts and licence fees for temporary erections etc :-

The defects referred to continued in 1934-35 also. No proper account of Demand, Collection and Balance of these item of revenue was maintained.

(4) Paragraph 10 (a) to (c) of the Audit Report - Licence fees for permanent encroachments (culverts and drain coverings).

The licence fees due were pending collection in a number of cases detailed in the annual objection statement. The papers connected with the grant of the licences are also pending production in several cases detailed in the Annual Objection statement.

(5) Paragraph 12 (b) - Rent of lands:-

Items 1 and 6 temporary leases - P.M. Narayana Pai and others - - Rs. 36/- :-

In resolution No.71 dated 28th February 1933, the Board resolved to file suits and to recover the amounts of

time barred arrears from the persons responsible. Neither the decree was obtained, if any available, nor did action appear to have been taken to recover the time barred amounts from the persons responsible

(6) Paragraph 12 (a) of the Audit Report:-

Arrears against M. Laxami - Unnecessary law charges of Rs. 7--12--6 :-

The recovery promised, was pending.

(7) Paragraphs 12 (f) and (g) :-

Papers are still pending production in a considerable number of cases detailed in the annual objection statement. Agreements also remain to be taken from several lessees. Amounts due also remain to be collected in several cases.

(8) Paragraph 13 (a) :-

Toll arrears.

(a)	Feringpet	1925-1926	Rs.	2067 13 3	
				167 15 9	

Fresh execution proceedings proposed did not appear to have been taken.

(b)	Uppinangady	1928-1929	Rs.	731 4 0	
			"	100 12 10	
(c)	Karkal Taluk Board 1930-1931.		Rs.	327 0 0	
			"	45 8 0	
	Total		Rs.	3,440 5 10	

Fresh execution petitions were stated to have been filed, but no further amounts have been collected so far.

(9) Paragraph 14 (c) of the Audit Report:-

Arrears of tolls 1924-25. Rs. 1605 7 0 plus

Rs. 201 10 2

The sanction of Government required for the writes off under G.O.No. 730 L & M., dated 25th February 1932, remains to be obtained.

(10) Paragraph 14 (b) of the Audit Report:-

Tolls shiriyur 1928-1929. Rs. 194 12 0

" 34 9 0

The orders of Government on the reference stated to have been made, were not shown.

(11) Paragraph 15 of the Audit Report:-

(a) 1923-1924 - Surabi etc. Ferry decree dated 3.9.27

Arrears amounting to Rs. 630/8/0, were written off as irrecoverable in the District Board Resolution No. 6 dated 3rd September, 1935. The sanction of Government has not yet been obtained.

(12) Paragraph 15 (b)(1)

Harakada 1925-26 - Rs. 1102/10/5:-

The result of further execution of the decree is awaited.

(13) Paragraph 15 (b)(2) and (3)

The writes off sanctioned in June 1935 was subject to the recovery of the law charges, but the law charges were not fully recovered. The amount needs recovery.

(14) Paragraph 15 (b) (4) - Kadi 1925-26 :-

Arrears Rs. 323/14/8 upto 29th November 1930:-

The amount due up to date was not calculated to see whether the sanction of Government is necessary for the writes off.

(15) Arrears of ferry rents relating to 1927 1928 and 1928-1929 :-

The result of the execution of the decrees is awaited.

(16) Paragraph 16 of the Audit Report - Time barred arrea

(a) Item (1) Bakal. Rs. 1/7/0 still pending collection.

(b) Items 2,5,6,7 and 8 written off.

The sanction of government for the write off applied for is awaited.

(c) Item (5) Sarve : Rs. 28/14/0 is still pending collection. Attempts are being made through the Tahsildar.

(d) Item 11 - Rs. 8/5/0 still pending collection.

(17) Paragraph 17 and 18 of the Audit Report:-

Ferries writes off :-

The sanction of Government for the write off is awaited.

(18) Paragraph 22 (3) of the Audit Report:-

Gangolli Ferry Details as to how the lease amount of Rs. 2,496/0/0 per annum was arrived at, were not shown

(19) (i) Paragraph 23 (a)(1) : Udivar Ferry

Security due Rs. 7,500/- Security taken Rs. 6000

The balance has not yet been taken.

(ii) Paragraph 23 (a)(2) - Mabukal ferry

Security due Rs. 6,032/8/0. Not yet taken.

(iii) Paragraph 23 (b)

In the following cases there are still arrears. Thirty percent of the bid amount was not collected in these case by way of additional security.

Kallatkere (arrears)	Rs.	233	8	0
Kanipur	Rs.	59	0	0
Kota	"	166	2	6
Uppala I sale	"	95	9	8

(20) Paragraph 24 of the Audit Report:-

In the following cases of ferries, no agreements had been obtained. Lease amounts are still pending collection as detailed below.

Kota 1933-34	Rs.	166	2	0	No decrees.
Uppala		94	13	0	
Thangai		122	4	0	

(21) Paragraph 26 of the Audit Report:

Short collection of the Motor licences fees Rs.16/10/ Rs. 10/- only were recovered in April 1935 and the balance of Rs. 6/10/0 is still pending recovery.

(22) Paragraph 28 of the Audit Report:

Ford lorry No. S.I. 748:-

Rupees five collected against Rs. 150/- for quarter due for a public conveyance. No reply was received from the co for letter dated 28th August 1935. No prosecution was launched

and no steps taken to recover the difference.

(23) Paragraph 33 of the Audit Report - Provident Fund Accounts :-

The defects still continue - Vide also para 41 infra

(24) Paragraph 34 - Advances unnecessarily outstanding

Advances are still unnecessarily outstanding. Attention is invited to G.O.No.4872 L & M., dated 28th October 1929 and the early adjustment of the advances demands attention.

(25) Para 35 (B) of the Audit Report:

Advance for sanitary arrangements:- The advance remains still be adjusted.

TALUK BOARD PENDING ITEMS.

(26) Mangalore Taluk Board:-

Paragraph 8 of the Audit report 1933-34 :-

Levy of contribution for sanitary arrangements:-

The sanction of Government promised to be obtained has not yet been obtained. No reference to government appeared to have been made.

27) Paragraph 9 (b) of the Audit Report.

Time - barred arrears: A sum of Re 0/3/0 is still pending collection.

(28) Paragraph 11 of the Audit Report:

Short recovery of licence fees under Public Resorts Act Rs. 10/-.

The amount has not been recovered.

(29) Paragraph 16 (a) :

Service Registers still remain to be opened in respect of the nine midwives referred to

(30) Karkal Taluk Board :

Paragraph 10 of the Audit Report.

Local purchases of medicines Rs Rs. 17/8/0

The sanction of Government condoning the irregularity has not yet been obtained, as required by paragraph 2 of G.O.No. 2650 L M. dated 8th July 1935, passing orders on the Audit Report.

(31). Kasargod Taluk Board:

Paragraph 6 of the Audit Report.

The sanction of Government for the diversion of ear marked funds has not yet been obtained.

(32). Paragraph 9 (b):-

The Provident Fund contributions for the years 193233 and 193_-34 remain still be adjusted completely.

(33). Paragraph 10 of the Audit Report: - Travelling allowance paid to a member

The orders of Government are awaited.

(34). Paragraph 13 (b) of the Audit Report:

Land stated to belong to a private party. Further reply is awaited.

(35). Paragraph 14 of the Audit Report:-

Time barred arrears of market fees. The amount have not been collected fully. Excepting in the case of Kote-charry and Hosdrug Vegetable markets, decrees and other papers have not been shown in support of the arrears in the other cases.

(36). Paragraph 15 (b) of the Audit Report:

Time barred arrears of Profession tax:

A sum of Rs. 19/0/0, relating to 1929-30 is still outstanding. Out of Rs. 310/0 plus as.6/- warrant fee relating to 1930-31 a sum of Rs. 87/8/0 is still outstanding.

(37). Paragraph 16 (a) of the Audit Report:

The question of assessment of Profession Tax to be paid by the President for 1932-1933 and 1933-34, was not placed before the Board, and its decision obtained under the proviso to rule 6 of Schedule W of the Local Boards Act of 1920.

(38). Paragraph 24 of the Audit Report:-

Service Registers remain still to be opened for the midwives at Adhur and Paivalike.

Coondapur Taluk Board.

(39). Paragraph 4 of the Audit report for 1933-1934

Paragraph 5 of the Audit Report for 1932-1933

Expenditure of Rs. 2863/- incurred in 1928-1929.

Papers to show that the sites have been vested in the Coondapur Taluk Board were stated to have been sent to the Ex-President of Kundapur Taluk Board, and were not produced during this audit also.

(40) Paragraph 6 of the Audit Report 1933-34

Market and Cart stand arrears:

A considerable amount is still pending collection No papers or other records were shown as to whether the arrears were covered by suits and in what stage the suits and decrees were.

(41) Paragraph 14

Rent of lands - Old arrears Rs. 4 6 0

1933-34 " 5 4 0

These are pending collection.

(b) Plot and land leased to C.P.C. Company for three years. An agreement remains still to be obtained.

Udipi Taluk Board.

(42) Paragraph 6 of the Audit Report for 1933-34.

Inadmissible payment of land revenue to Government

The plot stated to be not required for the market remains still to be surrendered.

(43) Paragraph ~~6~~ 7 of the Audit Report

In spite of the orders of Government in paragraph 3 of G.O.No. 2277 L & M., dated 17th June 1935, the Agreements executed by the lessees of the three markets detailed in the paragraph for three years from 1st April 1933 remain to be registered.

~~Puttur~~ Taluk Board.

(44) Paragraph 4 (c) of the Audit Report for 1933-34

Paragraph 8 of the Audit report for 1931-32.
Overpayment of Gratuity:

The recovery of the amount of Rs. 150/- decreed against the teacher is awaited.

(45) Paragraph 6 of the Audit Report for 1933-34.

Short collection of contribution - Unninangady Temple. The amount of Rs. 3/8/0 short recovered

has not yet been realised.

46. Paragraph 7 : Papers still remain to be produced in respect of items 7 (1) to (4) 5 (b) 6 and 7

47. Paragraph 8: The specific orders of Government have not yet been obtained condoning the irregularity.

48. Paragraph 9 (a) : Though the reply was that transfer entry was effected, no transfer was made.

(b) : The permanent advance acknowledgment was not produced.

49. Paragraph 12: Time barred arrears of Rs. 6/-

The amount has not been collected yet from the persons responsible.

50. Paragraph 14: The difference of 0-2-0 remains to be adjusted.

6. Profession Tax - Heavy arrears:-

The arrears of profession tax outstanding on 1st April 1935 were very heavy and date back to 1929-30.

	Demand.	Arrears on 1st April 1935.
1934-35.	Rs. 12,860 0 0	9,629 8 0
Old arrears as on 1.4.34	12,874 8 0	4,520 10 0

(b) Bills for profession tax for the first half year of 1934-35 were issued in January and February 1935 except those for Puttur Taluk which were issued in November 1934. Bills for the second half were issued in the first half of 1935-36. The late issue of bills thus partly accounted for the heavy arrears.

7. Profession Tax bill books not available completely for audit:

Though collection through village officers was discontinued, bill books were not completely obtained and produced for audit. The check of outstandings had to be conducted only with reference to the books produced.

(b) A check of the bill books received from the village officers showed that bills were wanting for items outstanding in the demand register and bills were outstanding for items already collected and credited in a number of cases detailed in the

objection statement.

All the books have to be obtained and produced for audit.

8. Demand notices not served:

In a considerable number of cases detailed in the annual objection statement, the demand notices for the taxes were not served within the time laid down in Rule 32 (3) of Schedule IV of the Local Boards Act 1920, as amended. As the items in these cases are not legally recoverable, the amount involved viz. Rs.230 needs recovery from the persons responsible for the omission to serve notices in time.

9. Time-barred arrears:

The arrears of profession tax and warrant fees detailed below have become time barred within the meaning of Section 222 of the Local Boards Act of 1920. No coercive steps would appear to have been taken towards the realization of the items. The opinion of the District Board as to the irrecoverability of the items, without reference to the question of limitation was also not obtained.

Name of Taluk.	Period.	Profession Tax	Warrant fee.
Kasaragod	1931-32	Rs. 128 8 0	
	1932-33/I	324 0 0	
Mangalore	1930-31	0 8 0	
	1931-32	82 0 0	1 8 0
	1932-33/I	48 8 0	0 6 0
Karkal	1931-32	11 0 0	
	1932-33/I	23 8 0	
Udini	1929-30		0 2 0
	1931-32	55 0 0	1 10 0
	1932-33/I	50 8 0	0 14 0
Puttur	1930-31	6 0 0	
	1931-32	0 8 0	0 2 0
Coondapoor	1932-33/I	1 8 0	
	Total.	730 8 0	4 10 0

Note: The arrears relating to earlier years have been detailed under pending objections.

10. Profession tax - arrears - Kodoth village - 1930-31 I & II half years - Rs.60/- Assessment No.1641

Time Barred :

The Patail of Kothur village distrained certain timber logs for the recovery of the arrear amount of the profession tax due from Mr. Kodoth Kanna Nair. One K. Kunhiraman Nair came forward as a claimant and filed a suit against the District Board. On the ground that the logs could not be sold, for the sales attempted proved infructous, the tax was allowed to become time-barred without having recourse to other methods to recover the amount.

11. Bank bills wanting.-

In a considerable number of cases, blank bills in bill books were wanting and no explanation was forthcoming as to how they came to be wanting. The President is requested to satisfy himself that they have not been misused.

12. Growth of revenue - not watched:

Monthly lists of persons liable to profession tax and to take out licences under the Dangerous and Offensive trades were not obtained from the out-door staff as required by Rules 5 and 6 appended to G.O.No. 1116 L & M., dated 15th June 1921.

13. Suspected misappropriation of Profession tax and warrant fees by Potail of Kodavoor, Udipi Taluk

Bill receipts were not forthcoming in support of outstanding profession tax and warrant fees amounting to Rs. 34/- and 44/- plus 0-4-0 relating to 1931-32 and 1933-34 of Kodavoor village. The reports of the Revenue Inspector showed that the noted should have collected and misappropriated the amounts, as he (Revenue Inspector) found some villagers possessing receipts granted by the Potail. No action has been taken to recover the amount.

14. Licence fees for dangerous and offensive trades.

(a) No uniformity was observed in the levy of fees. The same rates as were in force in the respective Taluk Boards were stated to have been continued in 1934-35 also, but the individual notifications were not shown. No reasons were on record as to why steps were not taken to sanction and publish a notification applicable uniformly to the whole district.

(b) The following trades were not licensed and no reasons were on record in support of the omission.

Hair cutting saloons.

Chillies (Whole sale trade)

15. Defects in the levy of Licence fees - Dangerous and offensive trades :

(a) No licence fees were collected in 1934-35 on account of offensive trades in certain villages detailed in the Annual Objection statement, in which collections had been made in 1933-34.

(b) The yearly list of Dangerous and Offensive trades for 1934-35 did not appear to have been prepared carefully. large number of persons assessed to licence fees in 1933-34 was omitted from assessment in 1934-35 without assigning any reasons in support of the omission.

(c) In a number of cases detailed in the annual objection statement persons assessed to profession tax on the Dangerous and Offensive trades carried on by them were not assessed to licence fees. The revenue foregone needs recovery.

16. Private scavenging fees:

(a) Monthly returns showing the names of persons desiring or discontinuing the services were not obtained.

(b) In a large number of instances detailed in the annual objection statement, ~~Our Reference~~ Private scavenging fees collected by the Medical Officers of Manjeshwar and Hosdrug were remitted after considerable delay in spite of a similar objection in the Audit Report for 1933-34 (Kasaragod Taluk Board).

17. Miscellaneous demands:-

Rent of lands: The defects pointed out in the previous report still continue. Agreements still remain to be obtained from a number of lessees. The lease amounts due were also pending collection in a number of cases. Even the papers connected with the leases were not produced in several cases. Complete details are furnished in the Annual Objection Statement.

18. Public Health - Receipts :

(a) Papers were not produced in support of several items of receipts. Under vaccination fees, monthly statements were not completely obtained from all the Health Inspectors and Vaccinators. A check of the returns received showed that even the amounts shown as collected were not credited in two cases to the extent of Rs. 2-4-0.

(b) Contributions due from the Temple Managers towards the cost of sanitary arrangements made, remained to be collected to a considerable extent.

(c) Sale of medicines.

Fees under sale of medicines were recovered from only one Hospital under the defunct Mangalore Taluk Board. No information was forthcoming as to whether regulations had been formed by the District Board in regard to the levy of fees for sale of medicines and why no fees were recovered in the other hospitals.

19. Secondary Education - Contribution:

Out of Rs. 3,000/- promised by the Moolky public for the opening of the High school at Moolky (opened in 1934-35) a sum of Rs. 2750/- only was collected and the balance of Rs. 250/- is still pending collection.

20. Secondary schools - remittances of school fees through unauthorised banks:

The school fees collected by the Head masters of Board Secondary schools, Mooloky and Moodabidri were remitted to the District Board through private banks. The procedure is unauthorised and has to be discontinued in view of the risk involved.

21. Markets and cartstands not sold during the year.

(a) The following markets and cartstands were not sold during the year and no reasons were on record as to whether they could not be sold.

1. Ajri weekly market - Coondapur Taluk.
2. Alur " " "
3. Byndoor cartstand "
4. Coondapoor Market Stalls Nos. 7 and 8
5. Bantwal Private market - Mangalore taluk.

(b) Agreements not obtained:

No agreements were obtained from the lessees

markets and cart stands in a number of cases detailed in the Annual objection statement (vide item 22 -a)

(c) Agreements not registered:

The agreements obtained from the lessees of the markets and cartstands were not registered in a number of cases detailed in the Annual objection statement as required by G.O. No 230 L & M., dated 29th January 1930.

(d) Agreements not correctly drawn up:

In the following cases agreements were obtained from the lessees for the net amount of the bid after deducting the amount of deposit paid by them thus reducing the amount of stamp duty payable thereon.

	Amount of the bid.	Deposit paid.	Amount for which agreement was taken.
1. Coondapoor weekly market.	Rs. 1135	567/8/0	Rs. 567/8/0
2. Ryndoor market.	" 196/-	100/-	" 96/-

22. Revenue foregone - Malpe cartstand :

In his letter ref. No.B3/4597-33 dated 10th November 1933, the District Collector stated that the existing site of the cartstand at Malpe was not a good site and that he would propose a better site. On the strength of this communication no further action was taken to lease out the cartstand for 1934-35, after the expiry of the previous lease on 1st April 1934 Due to the omission to lease out the cartstand there has been a loss of about Rs. 150/- to the District Board, based on the previous year's income.

23. Markets - Arrears :

The following arrears were stated to have been covered by suits, but the relavent suit papers were not produced for verification.

Year.	Taluk.	Name of renter.	Amount. Rs.	as.	ps.
1926-27	Coondapoor	Moideen Saiba	248	1	4
1930-31	"	Gudde Sheik Moideen Saiba	40	0	0
1925-26	"	Sheik Mahmad Saiba	11	4	0
1931-32	"	Champi Naraina Bhatta	4	6	0
"	"	M. Srinivasa Naika	35	0	0
1932-33	"	Champi Naraina Bhatta	32	0	0
"	"	Shanker Bhatta	4	0	0
"	"	Kedur Mahabala Shetty	46	0	0
"	"	" "	21	0	0
1924-25	Kasaragod	Mr Saifa Saiba	145	15	6
1930-31	"	K. Rama	293	12	9
"	"	P. Hasana	36	5	8
1932-33	"	A. Beari	19	0	0
"	"	C. Kannan	5	8	0

(b) In several cases the full amounts of costs etc. awarded were not included in the arrears and the figures appearing in the registers brought up to date.

24. Ferries - agreements not obtained:

(a) No agreements were obtained from the lessees of the following ferries.

1.	Shedde Adyapady	Rs. 320
2.	Ichlampady	" 100
3.	Madi	" 53
4.	Unainakudru	" 68
5.	Nauunda	" 5

(b) Ferries - Loss to provincial funds due to insufficient stamping of agreements.

Though the lease of a ferry comes within the definition of a lease in section 2 (16) of Act II of 1899 and the agreement executed by the renter is liable to duty as a bottomry bond, it was found in some cases that the agreement executed were not sufficiently stamped resulting in a loss of Rs. 39/5/0 to provincial funds by way of stamp duty as detailed in the Annual Objection statement.

(c) Time barred arrears.

The amounts detailed below have already become time-barred under Section 222 of the Local Boards Act 1920.

1.	Markada	1926-27	Rs.	5	10	10	
2.	Mattu Karnire	"	"	0	8	0	
3.	Bakal	1930-31	"	28	7	0	Rs. 27/- recovered in July 1935.
4.	Kariangot	"	"	2	1	0	Recovered in August 1935.
5.	Sarve	"	"	28	14	0	
6.	Chadragiri	1931-32	"	35	0	0	Recovered in July and September 1935.
7.	Kariangot	"	"	8	5	0	
8.	Sanantha Moger	"	"	6	13	0	
9.	Sarpady	"	"	2	1	0	
10.	Sarve	"	"	9	7	0	

25. Motor licence fees - short recovery - Lorry No. S.K. 491 :

The owner of the vehicle was prosecuted for having run his lorry registered for a public conveyance without a licence and a sum of Rs. 100/- was demanded and collected for the quarter ending 31st March 1934. According to the regulations in force for 1933-34, a sum of Rs. 150/- was due for the quarter as the weight of the vehicle was 2,475 lbs. or 1¼ tons. The sum of Rs. 50/- short levied needs recovery.

(b) Licences are given in loose forms without any account being maintained for the forms. It is necessary that the licences are printed in foil and counterfoil, machine numbered serially, and accounted for in the stock account of money value forms.

26. Library grant not claimed within the year:

In G.O.No. 2439 Law and Education dated 26th November 1934, a sum of Rs. 200/- was sanctioned for the public library at Kasaragod for the year 1934-35. As the grant was not claimed within the year, the amount lapsed to government. On a reference from the President, however, Government in their Memorand

No. 1473 B-1 L & M., dated 19th June 1935 sanctioned as a special case the payment to the public library the sum of Rs. 200 out of the provision for 1935-36 on the understanding that the District Board would not get any additional amount for purchases they make in the current year. Accordingly a sum of Rs. 186/7/0 was adjusted to the District Board funds on 9th September 1935. The vouchers in support of the correctness of the amount adjusted were not produced for audit.

27. Copies of budgets - not sent:

(a) Copies of the sanctioned budget of the District Board for 1934-35 and 1935-36 were not furnished to the audit department as required by Rule 9 of the Rules issued in G.O No. 2920 L & M., dated 26th July 1932, in spite of a similar objection in paragraph 5 (a) of the Audit Report for 1933-34.

(b) Likewise a list of transfers of allotments sanctioned in resolution No. 101, dated 2nd March 1935, was not communicated within a week as required by Rule 13 (2) of the rules issued in G.O.No. 2920 L & M., dated 26th July 1932.

(c) Expenditure in excess of the provision in the budget under several heads of account was incurred without transferring allottments under these. Necessary reappropriation to cover the excess expenditure was sanctioned only on 2nd March 1935 and not before the excess expenditure was incurred. Even this sanction did not cover the excess expenditure under provident fund contribution which amounted to Rs. 14,923/- against Rs. 13,190 provided in the budget.

28. Printing tender - Lowest tender not accepted Sanction of Government not obtained:

(a) The restrictions in G.O.No. 1274 L & M., date 14th March 1934, were relaxed in G.O.No. 2041 Ms. L & M., dated 28t April 1934 with regard to the acceptance of printing tender. Quotations were called for on 5th May 1934 from eight printing presses The tenders were all opened as and when they were received without opening them all the same day. Four tenders appear to have been received and were forwarded to the Superintendent, Government Press

on 6th June 1934 for remarks as to which tender was the cheapest. The Superintendent, Government Press, recommended the tender of Saraswathi Press as the cheapest, subject to their reducing their rates in respect of two items in Schedule IV and subject to their agreeing to produce merchants' invoices in support of the cost of paper. Though the Saraswathi Press expressed their willingness to agree to both the above terms, the tender of the Kanara Printing works was accepted in District Board Resolution No. 10 dated 20th September 1934, no reasons being recorded in the resolution for the rejection of the lowest tender recommended by the Superintendent, Government Press. The consequent loss to the board is irrecoverable.

(b) The cost of paper was paid to the Kanara Printing works without the production of merchants' invoices.

(c) A copy of the accepted rates was not recorded in the minutes book as required by G.O.No. 3083 L & M., dated 4th August 1932, and was also not communicated to the audit department immediately the tender was accepted.

(d) An agreement was also not obtained from the contractor embodying the conditions of the contract.

29. Supply of dietary articles to Hospitals:

Agreements were not executed by the contractors for the supply of diet and other articles for the hospitals at Bantwal Karkal and Belthangady.

(b) Copies of tender notices issued were also not produced in the case of Bantwal and Belthangady Hospitals.

30. Sanction of Government not obtained:

The sanction of Government required for the following items of expenditure was not obtained.

Serial No.	Vr. No.	Particulars of charge.	Amount	Remarks
1.	426/11-34	Purchase of Breeding bulls	Rs. 265/-	
2.	317/7 -34	Vakils fees for work done outside court.	" 30/-	
	301/3-35		" 100/-	
3.	750/7- 34	Contribution for Health week Ullal, Gurpur Padupanambur Moolky and Panambur.	" 33/-	
4.	589/6- 34	Contribution for Leprosy work	1000/-	

31. Entertainment of temporary Establishment - Sanction of Government wanting :

An expenditure of Rs. 521/3/0 was incurred by the Board in July and August 1934 on the entertainment of temporary establishment in the District Board's office in addition to the staff fixed by Government, but the sanction of Government called for in the monthly objection statement still remains to be furnished.

32. Inadmissible payments:

In ~~Ramchayya Raw President, District Board~~ President's proceedings no. 716 D/D.B., dated 23rd June 1928 the pay of the several subordinates of the District Board was fixed in the revised scales of pay sanctioned from 1st April 1928 giving them additional increments based on the length of service. The detailed list prepared by the President, District Board, was approved by the board in its Resolution No. 85 dated 27th August 1928. In its resolution Nos. 132 and 133, dated 20th September 1934 and No. 116, dated 14th November 1934 the District Board sanctioned additional increments to six teachers of the board secondary schools on the plea that their cases had been left out in the revision of 1928. As the power to sanction advance increments retrospectively vests in Government, the supplemental pay of Rs. 1,083/13/0 as detailed in the Annual Objection Statement, paid to the teachers needs recovery in the absence of sanction of Government.

33. Excess payment due to change of date of increment Recovery pending :

On the authority of Rule 142 of the Madras Educational Rules, the date of increment of three L.T. teachers, viz Messrs. N. Venkata Rao, B. Sharaya Shetty, and B.S.Wavada was changed by the President to the 1st April of every year retrospectively from 1st April 1928 in two cases and ~~first~~ 1st April 1929 in the other and a supplemental pay of Rs. 128/1/0 due to this change of date was paid in 1933-34. The supplemental payment disallowed in the Annual Objection Statement for 1933-34 and in the correspondence ending with a letter dated 22nd November 1935 from the audit department on the ground that Rule 142 of the Madras Education Rules is not

applicable to L.T. teachers is still pending recovery.

34. Excess payments due to grant of scale of pay with retrospective effect to certain clerks.

In District Board Resolution No. 46, dated 23rd July 1932, the District Board sanctioned incremental scales of pay viz. Rs. 35-1½-50-1-60 to four posts on fixed pay of Rs. 35/- with effect from 1st April 1932 and this was approved by Government in G.O.No. Ms. 3428 L & M., dated 29th August 1932. On a further representation from the clerks concerned the District Board sanctioned in District Board Resolution No. 113, dated 31st July 1934 the grant of increments to four clerks from 1st April 1930 and in District Board Resolution No, 10, dated 29th March 1935, the scale of pay for these posts was also sanctioned with retrospective effect from 1st April 1929. As the sanction of these increments was inadmissible the supplemental amounts were held under objection. The overpayments made to the clerks during the year due to the retrospective sanction amounts to Rs. 846/0/0. The recovery of this amount ordered in G.O.No. Ms. 2351 L & M., dated 21st June 1935 and Memo.No. 35465 - 1 A L & M., dated 3rd September 1935 still remains to be effected.

35. Wasteful expenditure:

The notice Board in use in the Wandse toll gate supplied to the toll gate cont actor by the Board in the first instance at cost price and passed on to each other at the same price by successive lessees of the gate was required to be urchased by the Board when toll gates were abolished. On the President declining to purchase the Board, the party approached the District Magistrate for arbitration. Though the President contested the arbitration by engaging a counsel and spending Rs. 35/- on law charges, The District Magistrate decided under Section 15 (2) of the Madras Motor Vehicles Taxation Act that the notice board should be purchased by the District Board at 90% of the cost price viz Rs. 46/0/3. Notwithstanding this decision, the matter was allowed to be taken to the Civil courts. A decree for Rs. 75/14/- including Rs. 21/12/0 costs was obtained by the party which had to

be paid by the Board in addition to the expenses incurred by the Board. The exact amount of law charges incurred by the Board is not known but a sum of Rs. 3/12/0 was already spent as per voucher 808/11-33. The additional payment of Rs. 38/11/0 over the amount awarded by the District Magistrate and the law charges incurred by the Board constitute wasteful and avoidable expenditure and need to be made good to thefunds of the Board. The resolution of the District Board ordering the suit to be contested and for the payment of law charges were not pointed out.

36. Cost of building paid to a Medical Officer:

In Resolution No. 285 dated 24th February 1934, the defunct Puttur Taluk Board sanctioned the construction of quarters for the Sub Assistant Surgeon, Kadaba subject to the following principal conditions. The building was to be constructed by the Medical Officer and its cost valued by the Local Fund Assistant Engineer after its completion. Two fifths of the cost as valued was to be paid to the Medical Officer and the balance to be met by the Medical Officer himself. In consideration of the expenditure to be incurred by the Medical Officer he should be allowed to occupy the building free of rent as long as he was the Medical Officer, Kadaba, and to be paid back the balance of the amount advanced by him after deducting monthly rental at Rs. 5/- per mensem in case he was transferred from Kadaba. A valuation statement for Rs. 1263/- was received from the Assistant Engineer. As the Medical Officer was transferred in January 1935 the whole cost of the building minus rent up to 3rd January 1935 was paid to the Medical Officer. The expenditure being of an unusual nature and not supported by any authority is brought to the notice of Government.

(b) No information was forthcoming as to who was occupying the building after the Medical Officer's transfer and how much rent was recovered.

37. Payment of Land acquisition:

A sum of Rs. 1,200/- was drawn on voucher No. 2876 March 1935 as the cost of land acquired for play ground of Board

High School, Udipi by private negotiation. The non-encumbrance certificate, sale deed, patee's receipt, sanction of the Board etc. called for remained to be furnished.

38. Advance payment of - disproportionately large advance towards transfer / travelling allowance.

Under rule 7 of the rules issued with G.O.No.642 L & M., dated 17th February 1932 the amount of the advance should not exceed the amount of transfer travelling allowance payable and should be recovered in full in the transfer travelling allowance bill. Nevertheless, in Vr. No. 532 of June 1934 a sum of Rs. 120 was paid as advance travelling allowance to a teacher on transfer who was eligible to transfer travelling allowance of Rs. 16/9/0 only and the amount was ordered to be recovered in three equal monthly instalments. This irregular advance was granted in spite of a similar objection in the past.

39. Railway cess fund:

In G.O.No. 667 L & M., dated 20th February 1933 Government held that the action of the President in having diverted Rs. 26,324/- out of the fund was irregular without their previous sanction and accorded sanction for the utilisation by the Board of the whole or such portion as may be necessary of its Railway Cess Fund to meet its share of the cost of construction of a bridge over the Kumaradhari River. Besides this amount of Rs. 26,324/- already appropriated, the amount due on the total expenditure incurred in 1934-35 was not adjusted to the general fund from the Railway Cess Fund. The total expenditure incurred in 1934-35 being Rs. 88284/- a sum of Rs. ~~44842/~~ 44142 was recoverable on the whole.

40. Provident fund investments - made through the Imperial Bank of India.

The following investments were made through the Imperial Bank of India in spite of paragraph 2 of Government Memo No. 40109- B 1 L & M., dated 6th October 1934, informing the President that he might himself arrange with the postal authorities to get the amounts in the Postal Savings Bank invested in Government securities. Rule 12 (1)(a) of the Provident Fund Rules [illegible] stipulates the investments only through the Deputy [illegible]

Post and Telegraphs.

4% loan	Rs.	30,000
3½% Government securities		137,000

41. Provident Fund:

The following were the important defects noticed In spite of the fact that most of these defects had been pointed out in the Audit Report and in the Annual Objection Statement for 1933-34 steps were not taken to avoid a recurrence of the same defects during the year 1934-35.

(1) Contribution:

Contributions towards bonus were not adjusted to the credit of the subscribers in full in a number of cases and were not adjusted at all in some cases.

(2) In several cases the amount of subscription recovered from the subscribers varied from month to month contrary to sub rule (5) of Rule 6 of the Provident Fund Rules.

(3) Interest on temporary advances was not correctly calculated and recovered in many cases.

(4) The recovery of the temporary advances was not promptly made in some cases.

(5) Adequate care was not taken in sanctioning temporary advances and paying insurance premia. There were two cases of payments in excess of the amounts standing to the credit of the subscribers in their subscription accounts, which are detailed in the Annual Objection Statement.

(6) In G.O.No. 3330 L & M., dated 17th July 1934, instructions were issued regarding the closure of accounts of discharged Taluk Board servants. In spite of these, the account of Mr. K. Raghavendra Kamath, a discharged Taluk Board servant (Account No. 856) was not closed and payment made to him in accordance with the rules. A bonus of Rs. 32/- and interest of Rs. 28 were credited to his account during the year.

(7) Where payment of life insurance premia were permitted from the Provident Fund Accumulations, the policies remained to be obtained duly assigned in several cases.

(8) In several months the probable amounts of Provident Funds deductions expected in the month were not remitted in advance to the Post Office Savings Bank as required by Rule 11 of the Provident Fund rules.

(9) The deposit accounts for 1934-35 referred to in Rule 28 of the Provident Fund Rules still remained to be sent to the several subscribers. In many cases even the acknowledgements for 1933-34 still remained to be obtained.

(10) The certificates of nominations in the form prescribed in G.O.No. 4650 L & M., dated 2nd December 1931 still remained to be obtained in most of the cases, in spite of Examiner's Circular letter No. L.F. 1308 dated 24th July 1934.

(11) The fact that no recoveries were due from the employees was not verified with reference to the service registers and leave accounts before closing the accounts of the employees. Cases of closure and final payments were noticed where overpayment of leave salary have not been recovered.

PART III ACCOUNTS.

42. Delay in the submission of vouchers and monthly Accounts:-

The paid vouchers and monthly accounts were sent to the audit office after considerable delay.

(b) In spite of the delay in the preparation of accounts, the statements to be placed before the District Board, monthly prescribed in G.O.No. 4015 L & M., dated 10th September 1934, were placed before the District Board at most of its meetings. These figures were not based on the accounts as they ought to have been but were apparently roughly worked out with reference to the sanctioned budget.

43. Demand Collection and Balance Statements - not prepared and sent :

A monthly Demand, Collection and Balance Statement was not prepared for purposes of review of the position with regard to all items of revenue. Most of the tax and other receipt side

registers were themselves written up long after the commencement of the audit. A reconciliation of the figures appearing in the account and in the several tax registers was also effected only at the time of close of audit.

44. Registers not maintained or imperfectly maintained:

(a) In spite of the objection in the previous audit reports, the following registers were not maintained.

(1) Register of immovable properties to show all the immovable properties belonging to the Board.

(2) Register of alterations of grants.

(3) Stock account of tools and plants relating to the several High and middle schools.

(b) The following registers required to be maintained due to the amalgamation of the Taluk Boards with the District Board were not maintained.

(1) P.S. fees demand registers were not maintained in the District Board's Office.

(2) Register of Bills issued for arrears of taxes.

The register of bills issued, maintained by the tax clerks/were very incomplete. Particulars of arrear books issued for collection were not entered therein. The collection agency through village Patails having been discontinued, arrear books are being received from them and transmitted to the regular collection agencies for collection. Particulars of the receipt and the issue of such books were not recorded in the register. No attempt was made to record in the register details of the books taken from the stock account. It was therefore impossible to verify in audit that all the books taken from stock were fully accounted for.

(3) Office collection register not maintained.

(a) An office Collection register to record the collection of taxes and fees was not maintained as prescribed in Rule 31 appended to G.O.No. 1116 L & M., dated 15th June 1921.

(b) The licence fees collected by the tax inspector and the bill collectors were not noted in the collection register

maintained by the Puttur, Coondapur and Udipi Inspectors. All collections made should be noted.

(c) A history of several encumbents of the District Board was not maintained as required by Rule 165 of the Local Boards Manual and Rule 3 of the rules issued in G.O.No. 279 L & M dated 20th January 1933.

(d) A register of miscellaneous sales was not maintained to record the sales relating to the various departments.

45. Suits Register:-

Particulars of the decree amounts due under the various ~~civil~~ civil suits instituted by the Board were not recorded in the Miscellaneous Demand register or in a separate register of suits. A register was maintained in manuscript for ferry suits alone. No record was maintained for the suits and decrees under encroachments, Public Works and other Miscellaneous items. It is necessary that a complete record is maintained of all the civil suits and decrees in favour of, or against the Board together with up to date information as to the stage in which the various decrees and suits stand.

46. Stock of money value forms:

This register was also not properly maintained. Acknowledgments of the several persons to whom issues of books were noted were not forthcoming. As the tax clerks did not also account for the books issued to them vide paragraph 44 supra, the issues to them could not be checked. About 2 5 books under various denominations such as miscellaneous receipts, Profession tax bill books, warrant fee receipts, Licences for Dangerous and Offensive trades etc., were noted as destroyed under the signature of the President. These could have been kept for verification till the date of audit and ~~then~~ destroyed. After allowing for these the actual and account balances on the date of audit differed in the following cases.

	Account Balance.	Actual Balance.	
1. Notice of seizure of goods.	60	55	-5
2. Distraint fee receipt fee books.	350	325	" 25
3. P.T. Fees - Bill books	29	39	Excess 10
4. Profession tax 10 pages	1182	1183	" 1
5. Warrant fees 10 pages.	1024	1028	"

The shortage should be accounted for or their value made good by the persons responsible.

One hundred and twenty one school fee receipt books, being the balance during the last audit verification were shown as issued and removed from the stock account without recording details as to the persons to whom they were issued.

47. Pensioners not mustered:

In spite of the objection in paragraph 73 of the Audit Report for 1933-34, Local Fund pensioners were not mustered though under Article 947 of the ~~C.S.R.~~ Civil Service Regulations the annual mustering and identification of pensioners is essential.

48. Permanent advances:

While the actual advances outstanding was Rs. 531 the monthly ~~accounts~~ accounts show Rs. 573/8/3 as the Permanent Advance outstanding. In spite of the objection in the annual objection statement for 1933-34 no action was taken to adjust the unrecouped expenditure on 1st April 1934 incurred by the Taluk Board Presidents thereby effecting an agreement between the balances.

49. Security Deposits:

Adequate security remains to be fixed and taken from the following class of servants entrusted with District Board collection and encashment of cheques.

1. Tax Inspectors.
2. High school clerks.
3. Peons of the District Board and the Subordinate institutions entrusted with remittances of collections received otherwise than in cash.

(b) A certificate as to the verification of the balance

of deposits prescribed by Rule 5 (2) (b) of the Rules issued in G.O. No. 1091 L & M., dated 22nd March 1932 was not furnished and the statement to be sent to the Audit Department as per Rule 5(2) (a) ibid was also not sent.

(c) No security bonds were also taken.

50. Tools and plant Registers:

The register of Tools and Plant and furniture of the six defunct taluk Boards were not produced to verify the correctness of the entries made in the new consolidated register maintained in the District Board's office. No entries appeared in the register in respect of the furniture etc., belonging to the Coondapoor Taluk Board. A certificate of verification of the entries with the returns received from the heads of institutions was not recorded.

51. Service registers and leave accounts:

(a) In spite of the objections in the Audit Report for 1933-34 no service registers were opened for several employees. The details are furnished in the annual objection statement. The same defect was also pointed out in the Audit Report for 1933-34. Even in the cases of employees for whom service registers were actually maintained, there were several cases where the services were either not verified or were only partially verified.

(b) In a few cases, the leave accounts were either not worked out or were incorrectly worked out before disposing of leave applications resulting in the excess payments of leave salary detailed in the annual objection statement. The correct maintenance of service registers and leave accounts demands early attention.

District Board Engineer's Accounts.

PART II FINANCIAL ADMINISTRATION.

52. Outstanding objections:

The following are the important objections pending settlement. From a perusal of the pending objections, it will be seen that adequate action has not been taken to settle pending objections.

(1). Paragraph 60 (5) of the Audit Report for 1933-34
(Paragraph 12 of the Audit Report for 1932-33)
Construction of a bridge across Yedamavinahole.
All the connected papers were stated to have been sent to the lawyer and were not produced during the recent audit also.

(2). Paragraph 60(8) of the Audit Report for 1933-34
Paragraph 25 of the Audit Report for 1932-33.
Balances of materials at the workspots unutilised
No action has been taken so far for the disposal of the materials as promised in the reply to the objection.

(3). Paragraph 60 (13) of the Audit Report, 1933-34.
Item 9 and 15 of Annual Objection Statement, 1932-33 and para 48(a) of the Audit Report, 1933-34.
Kalgundhi Bridge deviations.
The sanction of the District Board for the deviations remains still to be obtained.

(4). Paragraph 60 (14) of the Audit Report 1933-34
(Item 13 of the Annual Objection Statement, 1932-33)
Bangramangeshwar Bridge. The sanction of the Board for the deviations remains to be obtained.

(5). Paragraph 60(15) of the Audit Report, 1933-34
(Annual objection statement item 23 of 1932-33)
(Items 5 and 6 of the Annual objection statement 1932-31)
Final action has not yet been taken for the disposal of the materials.

(6). Paragraph 60(16) of the Audit Report, 1933-34
(Appendix II Government grant irregularities)
(a) Item 91 of 1932-33 Puttur Taluk Board.
Rs. 444/8/0 and Rs. 525/0/0½ Half grant drawn on expenditure on lands not vested in the Board. The lands have not yet been vested in the Board.

(b) Item 47 of 31-32 Rs. 600 0 0)
60 of 32-33 " 761 8 0) expendi
on Renjal well. The site of the well has not yet been

(c) Item 63 of 1932-33 Puttur Taluk Board.

Grant drawn for the construction of a well at Nitgal which has been abandoned owing to inordinate delay. Refund to Government due Rs. 88/9/0 and grant drawn otherwise Rs. 667/7/0. In G.O.No. 2574 P.H. dated 2nd October 1935, Government have ordered the refund to Government of (1) half the sale proceeds of Rs. 42/4/0 and (2) half the recovery of Rs. 134/14/0 from the contractor. The recovery and refund are still pending.

(d) Coondapur Taluk Board 1928-29 Rs. 1432/-

Information and papers as to the vesting of the lands in the Board remain to be shown in these cases.

(7) Paragraph 60(17) of the Audit Report for 1933-34
Item 27 of the Annual objection statement 1932-33
Paragraph 23 of the Audit Report 1930-31.

The sanction of the Board for the writes off of the materials has not yet been furnished.

(8) Paragraph 60 (18) of the Audit Report 1933-34
(item 29 of the Annual Objection Statement 1932-33

Overpayment in Halady bridge work Rs. 38/13/0. Objection statement April to June 1931. The recovery of the amount promised has not yet been effected.

(9) Paragraph 60(19) of the Audit Report 1933-34
(Item 33 of the Annual Objection statement A.O.S 1932-33 A.O.S. 1931-32)

The sanction of the Board for the writes off of the materials found short during annual verification has not yet been furnished.

(10) Paragraph 60(20) of the Audit Report 1933-34
(Item 34 of the Annual Objection statement A.O.S. 1932-33)

Construction of Gurpur bridge. Proportionate Government grant drawn on the cost of materials used for the District Board's office and the amounts realised by sale has not yet been refunded to Government. Though the reply to Audit report was that the item was separately dealt with, no papers were shown as to the action taken.

(11) Paragraph 46 of the Audit Report for 1933-34.
Punjalcatta Bridge.

M°

No further work was done on this bridge work in 1934-35. The steel girders purchased in 1933-34 have been left with the contractor on a simple receipt. These have not been accounted for in the materials-at-site statement for the work and verified during the annual verification at the close of the year.

(12). Para 47 of the Audit Report 1933-34 Halady Bridge.

In G.O. No. 4476 L & M., dated 9th October 1934, the report of the President, District Board, to drop the question of recovery of Rs. 15,745/- from the persons responsible was recorded. In paragraph 9 of his letter to Government, the President, District Board, stated that it was proposed to make the contractor do the re-rectification at his cost and failing execution by him, the cost of ~~refixing~~ rectification would be recovered from the contractor. In his letter 41-M dated 10th January 1935. the Superintending Engineer Coimbatore Circle, advised the Board to construct an entirely new bridge. The District Board sanctioned an estimate for Rs. 9,600/- for setting right the bridge which was however not approved by the Superintending Engineer who wanted only a thorough reconstruction. Final decision as to the amount that should be recovered from the contractor has not yet been taken.

(13) Para 48(b) and (c) of the Audit Report 1933-34.

Kalgundhi Bridge :

Conveyance of beams - irregularity promised to be investigated.

The decision on the question has not yet been communicated by the President District Board, in spite of the lapse of over two and half years.

(14). Para 49(a) of the Audit Report 1933-34

Dhulihole Bridge Work :

(a) Vide para 62 below. The loss due to the failure of the contractor to supply labour in time has not yet been recovered from him. (Amount involved Rs. 1,445/2/6).

(15). Paragraph 49(b) of the Audit Report 1933-34.

The amount of Rs. 1.625/12/6 spent and debited to miscellaneous advances irregularly, remains still to be [illegible]

to the regular head of account.

(16) Paragraphs 50,51 and 52 of the Audit Re ort,1933-34
Alteration of measurements after checkmeasurement. Overwritings in measurement books, spreading of materials before checkmeasurement etc.-
The reply to the Audit Report was that the matter was under investigation. No further report has been received so far on these irregularities.

(17) Para 53 of the Audit Report for 1933-34 -Blasted materials not brought to account:excenditure Rs. 1,427/15/0 :-
The result of the correspondence was not shown.

(18) Paragraph 54 of the Audit Report for 1934-35
Rs. 10/4/0 being the inadmissible payment promised to be recovered from the persons responsible. The amount has not yet been recovered.

(19) Paragraph 56 of the Audit Report,1933-34 - Sale Proceedsof trees not brought to account :
Contradictory reports from the Section Officer. The matter was stated to be under investigation No further report has been sent.

(20) Paragraph 58 of the Audit Report 1933-34
Miscellaneous Advances :
(a) 30-6-31. Lubricating oil Rs. 82/12/0.
This has not yet been adjusted.
(b) Also several items relating to previous years are still pending adjustment.

(21) Paragraph 59(a) to (c) of the Audit Report for 33-
(a) Advance to Mr. Ganapathy, Assistant Engineer for motor car
The sanction of the District Board for the grant of the advance has not yet been obtained.
(b) The excess grant of advance amounting to Rs. 320/- has been ordered to be recovered in instalments instead of in a lump sum. The specific condonation of the irregularity by Government was not obtained.

(c) The insurance policy taken out by the ~~A.E. Mr.~~ Assistant Engineer Mr. Ganapathy was not produced.

(d) The mortgage bond was taken on a twelve annas stamp paper instead of on stamp paper agreeable to the value of the advance viz Rs. 6/4/0. A revised bond on stamp of adequate value should be obtained.

(e) Advance to Mr. U. Srinivasa Rao. ~~A.E.~~ Assistant Engineer

A mortgage bond on a Re. 0-12-0 stamp paper was obtained instead of obtaining on a stamp paper to the value of Rs. 13/8/0. A revised bond is necessary.

(22) Para 61 of the Audit Report for 1933-34.

(a) The orders of the District Board on the statement showing the differences between the account and the actual balances of materials at site as on 1st April 1934 sent to the President, District Board on 18th September 1934, have not yet been obtained.

(b) The defects still continue. No action was taken to dispose of the materials and credit to Government wherever materials relate to works ~~not~~ carried out partly or fully from Government grants.

(23) Para 64 of the Audit Report for 1933-34 -

Lease of avenue produce:

The Demand, Collection and Balance Statement was prepared monthly showing the collection appearing in the imprest accounts as the demand and collection for the month thus showing the balance as nil, instead of preparing the demand with reference to the leases conducted from time to time on information obtained from the section officers.

(24) Paragraph 66 of the Audit Report for 1933-34.

Communication other receipts Rs. 77/4/6

Roads other receipts. " 523/14/0.

Details for these amounts still remain to be worked out and shown with the connected papers.

(b) Proportionate amounts require refund to Government wherever the realisations relate to Government grant Works.

(25) Paragraph 68 of the Audit Report for 1933-34.

Security bonds prescribed in appendix V of the [illegible]

Boards Manual remain still to be obtained.

26. Paragraph 69 of the Audit Report for 1933-34 Road, Metal Rate Books:

The defects pointed out still continue.

27. Paragraph 60 of the Audit Report for 1933-34 Schedule of Rates :

The schedule has not yet been revised rectifying the defects pointed out as promised. On the other hand the same schedule has been sanctioned for 1936-37 also.

53. The items pending in the Annual objection statement for 1933-34 and in the monthly objection statements up to January 1935 received back with replies have been detailed in the individual further remarks to the District Board Engineer. The objection statement for February and March 1935 is still pending return with replies.

54. Expenditure on capital works without Government sanction: In G.O.No. 1274 L & M., dated 14th March 1934, Government ordered, that pending the constitution of statutory standing committees, District Board should not enter into contract for any works. These restrictions were partially removed so far as 1934-35 were concerned in Government Memo No.12677 -1-c L & M., dated 21st March 1934, G.O. No. 2869 L & M., dated 16th June 1934, G.O.No. 2041 L & M., dated 28th April 1934, and G.O. No. 1641 P.H. dated 4th July 1934.

So far as capital works are concerned, the above orders were relaxed in respect of works for which Government grants were sanctioned in 1934-35, and for which provision had been made in the sanctioned budget for 1934-35. The authority for incurring expenditure on the following new capital works not fulfilling the above conditions without the sanction of Government was not pointed out.

S.No.	Name of work.	Authority.	Amount of Expenditure in 1934-35.
		D.B.Resolution.	Rs. a. p.
1.	Extending the Coast road 22s from Cheruvathur to Malabar frontier.	2/20-12-33	650 0 0
2.	Reconstructing the culvert in 11/7 of Road No. 10 A	2/20-12-33	4,357 3 0
3.	Do. Do. 3/2 of Road No. 13 A	93/31- 5-34	713 0 0
4.	Do. Do. 3/7 Road No. 13	27/13- 2-34	2,570 0 0
5.	Special repairs to Kadri padavu Road.	50/20- 9-34	733 0 0
6.	Improving Kadri Padavu Road	21/18- 1-35,	709 0 0
7.	Levelling the play ground for Puttur High School.	57/20- 9-34	1,092 0 0
8.	Improving the well attached to the Puttur High school.	87/31- 5-34	777 0 0
9.	Extending the Board Girls' school at Sullia		539 0 0

55. Lowest tender not accepted in violation of the conditions laid down by Government:

The conditions on which the restrictions in G.O.No. 1274 L & M., dated 14th March 1934 were relaxed were that the lowest tenders should invariably be accepted. In the cases of the following work executed partly out of provincial grant, the lowest tender was not accepted without recording proper reasons for its rejection . The sanction of Government was also not obtained for the entrustment of the contract to the tenderer other than the lowest.

Reconstructing the culvert in 3/7 of Road No.13 Rs. 2570/-.

The following were the tenders received.

(1) J. Andrade Estimate rate

(2) M.S. Shetty 1/- less.

The tender of M.S. Shetty was rejected and that of J. Andrade was accepted.

(b) In the cases detailed below the necessity to invite tenders for works executed fully out of Government grants was avoided by splitting up the estimates relating to the same

different estimates each costing less than Rs. 1000/-.

(1) Reconstructing the culverts in 42/1 to 47/8 of Road No. 16 A (Trunk Road)

Five estimates for Rs. 750/-, 990/-, 700/-, 750/- and Rs. 1770/- were sanctioned in Resolution No. 20/14-11-34. Tenders were invited for the last item and the lowest tender accepted was 9% less. The other four items were entrusted at 3% less to different contractors without the invitation of tenders.

(2) Reconstructing the week and damaged culverts in 48/1, to 51/8 of Road No. A 16 (trunk road)

Three estimates for Rs. 870/0/0, Rs. 800/- and Rs. 885/- were sanctioned in Resolution No. 21/14th November 1934 and were entrusted to different contractors at 3% less without inviting tenders.

56. Expenditure without allotments:

Expenditure on capital incomplete works under Trunk roads, second class roads and Education other than elementary was incurred in 1934-35 without specific allotments having been sanctioned by the District Board for their execution in 1934-35. The statement of Engineer's liabilities as on 1st April 1934 was also not placed before the Board and its sanction obtained. In District Board Works Standing Committee's resolution dated 30th August 1934 sanction of allotments was accorded only for the ordinary incomplete works as per the list submitted by the District Board Engineer and for which alone certificate of funds had been furnished by him. The mere provision of lump sums in the budget or in the revised estimate is no authority for incurring the expenditure. The incurring of expenditure on the incomplete works without specific allotments of funds worthwar was therefore irregular. vide rule 223 of the local boards manual.

57. Lowest tenders not accepted - satisfactory reasons not recorded.

In the large number of cases detailed in Appendix I. the lowest tenders for works mostly from persons who had been entrusted with other works by the District Board were rejected without recording satisfactory reasons for the rejection

trary to the orders of Government. Some of the reasons recorded were that the contractors had work in other places or that they were new in spite of the orders of Government in G.O. 1760 L & M., dated 14th May 1932 under which it was open to the President to have taken additional security in such cases.

(b) In some cases, the several sections of the road were subdivided into sections and contract entrusted to two different contractors one portion to the highest tenderer and the other portion to the lowest tenderer vide items, 15, 17, 20, 23, 26 32, 36 and 46 of Appendix I.

58. Loss due to incorrect report by the District Board Engineer:-

Maintenance of road No. 37 0/1 to 20/8.

As no tender had been received for the work, the contract was given to one K. Kannan obtaining a consent letter from him. Though according to the consent letter the contractor had accepted to do the work at 2% less than the estimate, the District Board Engineer reported to the President, District Board, in his letter No. 40, dated 11th January 1934, that the contractor had accepted to do the work at estimate rates and obtained his approval. An agreement was accordingly drawn up. The loss due to the incorrect report amounting to Rs. 19/9/0 was recovered in July 1935 on being pointed out in audit.

59. Grant of increment to a section officer certified to be unfit and incompetent:

With reference to paragraph 6 of the Audit Report for 1931-32 pointing out instances of false measurements and false claims, charges were framed against the section officer, Mr. P.G. Narayana Pai and the President, District Board passed orders in his proceedings dated 16th July 1934, disallowing the increments for 1933-34 and 1934-35 with the liability of postponement of future increments. The period of two months during which the employee was under suspension was treated as on leave. On the increment certificate for the period from 1st April 1930 to 31st March 1933, the

District Board Engineer, Mr. Krishna Pillai recorded that the Section officer was incompetent and unreliable, that his conduct was very unsatisfactory and that the increment was therefore not recommended by him. Nevertheless the increment was sanctioned by the President, District Board. Under Fundamental Rule 24 and the instruction in the Audit Manual the grant of increment is subject to the condition that an employee's work and conduct during the period was such as to justify the grant of the increment. The supplemental pay due to the grant of increment from 1st April 1930 to 31st March 1933 amounting to Rs. 354/8/0 plus Rs. 51/- drawn on voucher 67 of February 1935 is not admissible in audit in the circumstances and is disallowed. The section officer's fixed travelling allowance for the period from June 1934 to February 1935 had also been disallowed on the ground that he had done no useful work

60. Inadmissible payment - Golihole Bridge work.

A sum of Rs. 622/- was paid in 1934-35 representing 15% tender premium on non-rated items. In G.O.No. 5195 L & M., dated 12th December 1933 Government refused to advise the Board in the matter of payment of tender premium on non-rated items and ordered the Board to take legal advice and act on its own responsibility. Though the last legal opinion was in favour of the payment two legal opinions attached to the letter of the President District Boards, letter R.C. 3255 D.B. 29 and 4009 D.B. dated 15th May 1935, addressed to the Examiner shows that the President, District Board accepted the tender premium as for rated items only. The inclusion of the tender percentage on non rated items has never been accepted by the President and there was no authority to deviate from the accepted tender. The payment had to be made on account of the execution of the agreement in a different way from the accepted tender. The question as to why the loss to the Board could not be recovered from the person responsible for the drawing up of the agreement different from the accepted tender was not decided.

61. Payment for Honur bridge work - Work paid without proper check measurement and other irregularities

Final payment in 1934-35 Rs. 3992/-

The

various irregularities noticed in the audit of this work have been exhaustively ~~delet~~ dealt with in item 1 of the Objection Statement for the period from June to August 1934. The following summary shows briefly the important irregularities.

(a) After incurring an expenditure of Rs. 7210/- with reference to two estimates sanctioned in March 1924, a single revised estimate for Rs. 29,000/- was sanctioned and approved by the ~~S.E.~~ Superintending Engineer on 9th May 1927. The two works originally sanctioned would appear to have been let on contract to one K. Syed Ali Sahib at rates for several items of work specifically tendered by him. The whole work file showing the tender notice, the tenders received, the agreements executed and all the papers relating to the work done according to the two estimates are reported to be missing. In spite of District Board member Mr. Shiva Rao's recommendation to conduct an investigation and fix the responsibility for the loss of the important papers no action was taken by the President to fix the responsibility.

(b) In the revised estimate, the rates as tendered by the Contractor were taken as the sanctioned rates except for items of works newly provided for. Tenders were invited for the work and the work let on contract to the previous contractor at 8% above the rates tendered by himself for several items. 8% premium. Thus the Contractor got No reasons were on record as to why the revised estimate could not have been prepared in accordance with the schedule of rates then in force before the invitation of tenders instead of preparing it on the accepted tendered rates.

(c) The agreement was executed on 1st April 1927 while the estimate was sanctioned in District Board Resolution No. 42 dated 30th May 1927. The President, accepted the agreement on 27th October 1928. The accepted agreement is full of alterations ~~xxxxxxxxxxxx~~ Some of the items entered have been struck out, some written in fresh ink and all the figures up to the total corrected. It was, therefore, impossible to see which were the real rates. No action was taken to fix the responsibility for the alterations made in such an important document as the agreement for a major work.

The value of the work shown in the tender notice was Rs. 17,000/- while the amount shown in the contract document as finally settled was Rs. 23,383/- and tender premium of 8% amounting to Rs. 1871/- was calculated on this amount and it is not known how the different figures were arrived at.

(d) The work was completed in 1929 and final measurements were recorded by the overseer on 20th January 1930. The measurements were not checkmeasured till May 1933. When the District Board Engineer, Mr. N. Krishna Pillai, was asked to checkmeasure the work, he refused to take any responsibility whatsoever, nor did he report whether he noticed any serious defects, rendering checkmeasurement by him difficult or hazardous. Mr. Srinivasa Rao, Assistant Engineer, furnished on 27th May 1933 a qualified certificate as follows, on the strength of which the payment has been made.

"Certified that all exposed work was checked on 27th May 1933". No reasons were on record as to why such an important work completed long ago was not promptly checkmeasured. The payment made on such a qualified certificate is inadmissible.

(e) Though deviations have been made under several sub heads of accounts, a completion report embodying all the deviations remains to be prepared and sanctioned by the District Board.

(f) Iron work.

The materials-at-site statement for the work was not available. The iron materials purchased for this work would appear to have been utilised for other works and iron girders etc. required for this work transferred from surplus balances relating to other works. No account was maintained to show the receipt and the disposal of the materials for this work. The sanction of the Superintending Engineer was also not obtained to the consent letter of the firm from which the iron materials were purchased and as the exact quantity and value of the materials used is not known it could not be seen whether the value exceeded the limit six fixed in Executive Instruction (408) of the Local Boards Manual.

(g) Cement iron rods and jellies were supplied to the Contractor departmentally and the total cost of the purchase of the materials amounting to Rs. 4224/2/0 deducted from the contractor's bills. The data for the several items of works include higher rates for cement, iron rods and jellies as per schedule of rates and the actual payment to the contractor was on these higher rates plus 8% tender premium thereon. The amount to be deducted from the contractor was, therefore, the rates included in the data and not the cost at which the department purchased the materials. The difference amounting to Rs. 453/12/0 has not yet been recovered.

62. Construction of a bridge over Dhulihole:

(a) In paragraph 49(a) of the Audit Report for 1933-34 it was pointed out that in spite of the persistent default on the part of the contractor to provide the requisite labour etc and in spite of the several reports of the District Board Engineer, no action was taken by the President to cancel the contract of the contractor (defaulter) and enforce the penal provisions in the accepted agreement. The loss caused by him to the department amounting to Rs. 1465/2/6 as reported by the District Board Engineer, was also not recovered from him.

(b) The revised estimate for the work remains still to be approved by the Superintending Engineer. In his report to Government No. M. 795/ 75 M. -2 dated 11th June 1935 and in his letter No. 1430 M dated 24th October 1935 to the President, District Board returning the revised estimate with remarks, the Superintending Engineer, has pointed out in detail the various discrepancies in the rates adopted in the revised estimate. The remaining work to be completed was transferred to one Rudrappa Shetty in the proceedings of the President, District Board dated 5th May 1935, with the consent of the previous contractor and at the rates and the tender premium of 15% admissible to the previous contractor. The work was started in 1929 with reference to an estimate prepared in accordance with the high schedule of rates then in force. The authority for the transfer of the work with the high rates and the 15% premium in this way without

cancelling the previous contract and inviting fresh tenders was not pointed out. In his letter No. 1454 A - 2- 34 dated 9th May 1935, the President, District Board requested Government to permit the entrustment ~~in~~ of the remaining portions of the work amounting to Rs. 20,000/- without inviting tenders, to Messrs. Gannon Dunkerly & Co., and later on withdrew the letter on the ground that he had selected a local contractor. It was not, however, explained how the sanction of Government was found necessary for the entrustment of the contract to Messrs. Gannon Dunkerly & Co., and was found not necessary, when it was entrusted to a local man on the same conditions.

(c) Though the contract was transferred, the recovery of the advances made to the former contractor on the value of materials brought to site amounting to Rs. 279/12/0 remains still to be effected in spite of the orders of the President, District Board, to recover all the dues due by the old contractor.

(d) Iron materials purchased to the value of Rs. 6192/3/0 on Voucher 213 of March 1930 have not yet been utilised and have also not been accounted for in any of the materials at site account.

(e) The approval of the Superintending Engineer, was not obtained to the consent letter obtained from Messrs. Richardson and Cruddas for the supply of the Girders as required by Executive Instruction (408) of the Local Boards Manual.

(f)

(f) A sum of Rs. 2213 was paid to the previous contractor in June 1934 and the following are some of the inadmissible payments already objected to in the monthly objection statement which are also objected to by the Superintending Engineer.

Sinking wells paid at Rs. 30/-	1919	9 0
15% premium	287	14 0
	2207	7 0

Payment of tender premium is inadmissible and needs recovery as this is a special rate agreed upon with the contractor long after the tender and agreement and during the execution of the work.

Similarly

	Rs.	a.	p.
(ii) Rates for coolies at original rates	975	9	0
at increased rates	844	7	0
	1320	0	0
15 % premium.	273	0	0

Originally the value of the rolls was calculated at the schedule of rates. On the representation of the contractor higher actual wages were allowed with the sanction of Government. As actual higher wages have already been paid 15% thereon was not admissible.

(iii)

Similarly 15% excess was allowed on work done in excess of lump sum provision in the stimate, and not provided for in the agreement for which payment at the schedule of rates current during the execution is alone permissible. Amounts involved Rs. 74 and Rs 173/8/0.

(g) The Nominal muster rolls maintained were combined rosters for baling water and the labour employed for sinking wells Sinking wells were to be paid for at Rs. 30/- per unit on the volume of sinking while the actual labour employed for baling has to be paid for. How the amount of Rs. 1820/- was arrived at for baling alone from out of the combined rosters was not explained.

(h) Nominal muster rolls and mayee's receipts were wanting for Rs. 266/5/0 and Rs. 4/11/0.

(i) The cost of 301.56 c.ft of concrete amounting to Rs. 331/6/0 rejected but included in the contractor's bill and paid for was ordered to be recovered from the overseer responsible. The amount has not yet been recovered

(j) Volume of sinking:-

The volume 5814·3 c.ft of well sinking as per detailed measurements recorded from time to time was increased to 6388.46 on remeasurements without mentioning satisfactorily reasons for the increase in the total quantity. In the data for the rate of Rs. 68/9/0 per running foot for sinking wells furnished in the revised estimate sent to the Superintending Engineer, a quantity 5814.3 c.ft only has been recorded against sinking so far done

In the absence of satisfactory reasons the payment for the extra quantity cannot be admitted.'

63. Kumaradhari Bridge work.

A sum of Rs. 667/6/6 was debited to this work as cost of special instruments, though no ~~specific~~ Specific provision for these purchases exists in the sanctioned estimate. The amount has to be debited to the general funds and half the grant drawn refunded to Government.

(b) With reference to G.O.No. 2455, L & M., dated 22nd June 193' permitting the inclusion of the cost of the Special Assistant Engineer, a revised estimate making provision for the Special Engineering Establishment and showing the deviations made remains yet to be sanctioned and approved by the Superintending Engineer, in spite of this department letter L.F. 3738 dated 26th November 1935.

(c) For several items the contractor (the company) was to be reimbursed the actual expenditure incurred by the Company in the purchase of oils etc. Payment was made on copies of supplier's bills and payees' receipts furnished by the Company. The original suppliers' bills and receipts in support of the purchase of oils etc., made by the Company from others called for remains to be furnished.

(d) Steel work obtained from Messrs. Richardson and Cruddas for Rs. 51,992/8/0. The approval of the Superintending Engineer to the consent letter was not obtained as required by Executive instruction (408) of the Local Boards Manual before orders were placed for the supply of the materials. In his letter No. 1483 M, dated 16th November 1934, the Superintending Engineer refused to countersign the agreement, as in his opinion, it served no useful purpose to countersign an agreement 6½ months after the supply was completed.

(e) Under the agreement, the contractor was bound to remove the girders from Mangalore to the workspot as and when the girders arrived at Mangalore. A sum of Rs. 78/4/0 was paid as ground rent to the Port Department from 10th March 1934 to 5th May 1934 which needs recovery from the contractor.

(f) In spite of the fact that the steel work supplied by the Messrs. Richardson and Cruddas for Rs. 56,100/- was for the complete bridge work, iron girders were brought from Panemangalore Bridge and other sites. No account of the girders received and issued was maintained

(g) Earth work in hard clay soil was paid for at Rs. ~~2345/0~~ 23.5.0 per unit against the tendered rate of Rs. 19. The reasons for the increased rate was stated to be the change of quarry. The decision of the Board as to the necessity for the change of quarry after the receipt of a tendered rate with reference to the provision in the estimate involving the Board in an additional liability of about Rs. 1737/- is awaited.

(h) The hire for the tools and plant lent to the contractor has not yet been fixed and recovered.

64. Vouchers wanting.

Vouchers in support of the debit to the miscellaneous advances not sent and pointed out in the monthly objection statement remain still to be furnished.

		Rs.	a.	p.
Item 52	Objection statement August 1934 to January 1935	9	14	0
		4	4	3
		0	0	10
		27	6	0
		10	10	0
		0	11	0
		0	11	0
" 32	" June to August 1934.	19	0	0
	Rs.	321	3	1

65. Supplemental repairs, maintenance and patch repairs to the same furlongs of the same road — Road No. 5

In the maintenance estimate for Rs. 6700/- sanctioned on 20th December 1933 provision was made for patch repairs as shown

against each furlong. ~~In~~ A supplemental estimate for Rs. 2300/- was sanctioned on 30th August 1934 for through renewal of the same furlongs for the entire area. The following are the particulars of the work measured and paid for.

Thorough renewal measured on 30-10-34 & checkmeasured 22.1.35

Maintenance 7. 8.34 22.1.35

In addition to the above, patch repairs with pit laterite were also stated to have been done and measured on 16th January 1935, and checkmeasured on 22nd January 1935. No explanation is furnished as how it was possible for the same officer to have checkmeasured on the same date, viz., 22nd January 1935, the three items of work stated to have been done at different ~~times~~ times of to the same furlong. The provision for the maintenance of the same furlong should have been deleted from the maintenance estimate when the question of thorough renewals of the same furlong was taken up for consideration. It is not also understood how patch repairs with pit laterite were done in January 1935 after the furlongs had been entirely renewed a few months previously, even before the thorough renewals had been checkmeasured. The cost of patch repairs and the cost of maintenance metal amounting to Rs. 62/1/0 needs recovery.

Furlongs.	Maintenance Estimate	Suppl. thorough renewal.	Patch repairs.
7/6	100 c.ft	~~7200~~ 7920 sq. ft or 190 c.ft metal	1030 sq.ft
7/8	Do.	do.	654
8/5	200	d .	740
8/6	Do.	do	270
9/2	Do.	do.	660
10/8	Do.	do.	470

66. Government assessment on lands acquired for roads.

(a)	Trunk roads	Rs.	50	0 0
	II class		59	7 0
	Other roads		45	8 6
	Wells		0	7 0
	Ele. school sites		10	14 3

As sites acquired for roads, wells and elementary school buildings are exempt from payment of Government assessment-vide Executive

instruction (326) of the Local Board Manual, the necessity for the payment of the amounts is not understood. No reasons were on record as to why alienation of land revenue was not obtained in these cases.

(b) Rupees 13/15/0 and Rs. 13/2/0 were paid as assessment on markets and cart stand sites which are recoverable from the lessees of the markets and cart stands. These payments have been made by the Engineer and debited to the several heads of account without showing them under miscellaneous advances pending recovery from the lessees. The amounts need recovery.

67. Inadmissible payment - Action not taken for recovery.

In the work of widening the narrow roadway and protecting the submerged portions of road No. A. 16, (trunk road) 6th mile, the rate of Rs. 3/- originally sanctioned for rebuilding granite rough stone with old stones was changed to Rs. 5/5/0 without competent sanction. The agreement was executed long after the payment at the rate of Rs. 3/- was made for the work. There was no mention in the first instance that the item of work was done with new chips as stated by the Section Officer.— vide also measurement Book 1824 pages 41 and 42. The addition of the words with new chips was made only in the second bill which contained no additional or new items or quantities of work but only the quantities and items of work already measured and billed for.. The additional payment of Rs. 114/12/0 was, therefore not a legitimate charge on the Boards funds. In spite of the irregularities having been pointed out in May 1935 no action has been taken so far to recover the amount from the contractor or from the persons responsible.

68. Overdrawals of Government grants and amounts requiring refund to Government. Other irregularties in the drawal of grant.

(a) Trunk roads maintenance:

G.O.No. 2001 L & M., dated 27th April 1934 lays down that grants for trunk roads should be claimed on the net expenditure after deducting the provision, if any, made for petty supervision and the Government grant will be the net outlay on works thus arrived at plus 11% thereof. This instruction was not

The monthly and final statements included petty supervision charges plus 11½% thereon. As the total expenditure incurred in 1934-35 in the maintenance of trunk roads/Lawns exceeded the maximum grants admissible, no recovery is necessary on the whole. The correct procedure has to be followed hereafter.

(b) A sum of Rs. 6/9/0 recovered in February 1935 on account of Annual objection statement item 73 for 1933-34 was not refunded to Government. This needs refund to Government. Similarly a sum of Rs. 7/8/0 was recovered in November 1935 as per item 4 of August 1934. This also needs refund to Government.

(b b) Second class road maintenance:

(1) ~~(e)~~ In G.O. No. Mis. 3845 L & M., dated 28th August 1934 Government were pleased to increase the maximum second class road grant from Rs. 87,487/- to Rs. 103,917/- from 1934-35. The District Board was however not able to earn the full grant due to its failure to spend adequately in the first instance. In G.O. No. 3825 L & M., dated 18th September 1935 a sum of Rs. 17068/- was sanctioned as the balance for 1934-35 calculated as shown below.

Maximum expenditure	Rs. 2,00,397/-
Maximum grant eligible	" 1,00,198/-
Amount drawn.	" 83,130/-
Balance due	" 17,068/-

From the expenditure of Rs. 2,00,397/- the cash recoveries effected in 1934-35 on account of audit objections relating to grant works were not deducted. Half the amount of the recoveries viz. Rs. 16/7/0 as shown below needs refund to Government.

Cash recoveries deducted in the account in 1934-35 but not deducted in the Engineer's accounts under second class roads Rs. 32/14/0

(2)

Half the sale proceeds of surplus materials of Government grant works were not refunded to Government in the cases detailed below.

(1) Sale of iron girders on various dates as verified from the imprest accounts extracts of various months Rs. 466/1/0. Half of which viz Rs. 233/0/0 needs refund to Government.

(ii) 178 empty tins Panemangalore Bridge account Rs. 11 1 0 in April and May 1934.

Half of which Rs. 5/3/0 needs refund.

(iii) Sale proceeds of wood Kottiadi Bridge on 2nd class Road No. 8 Rs. 6/7/0 needs refund to Government

Half of which 3/3/6

(iv) Uchilsar bridge in 75/1 of road No. 22N Foot bridge materials Rs. 8/8/0

Half of which belongs, " 4/4/0 needs refund.

(3) Half the value of recoveries on account of audit objections as detailed below needs refund to Government.

Particulars of Objection Statement	Name of work.	Amount. Rs. a. p.	Date of recovery
5 to 12 of Audit Statement, 1933-34	Painting various bridges.	10 5 0 3 12 0	1934-35 1935-36
72 Do.	Road No. 1 A	6 5 0	28.6.35
102 Do.	22S	1 6 0	Do
114 Do.	5	11 4 0	10.6.35
113 Do.	17	1 13 0	Oct. 1935.
27 of April 1934	Road No. 22 N	36 12 0	1.8.35
10 of June to Aug. 1934.	10	5 10 0	Nov. 1935
43 Sept. 1934 to January 1935.	2	1 4 0	Oct. 1935
45 Do.	5	2 0 0	Do.
23 March 1935	5	9 2 0	Nov. 1935
		89 9 0	

Half Rs. 44-13-0 needs refund to Government.

(c) Opening a road from Manchi to Sajip Government grant work under village communications. Expenditure Rs. 550/-. No papers were shown as to when the land was acquired. This is a work stated in 1929

(d) Sinking and stening a well at Asudu in 26/4 of Road 17 under rural water supply.

Government grant work Rs. 741/9/0

No papers were shown as to the approval of the Health department to the site.

(e) Cost of metallic tape debited to Dhulihole bridge without provision in the estimate Rs. 20/12/0.

[redacted] it has to be transferred to tools and plant and half the

the value refunded to Government.

(f) Similarly the cost of scientific instruments amounting to Rs. 667/6/6 debited to the Kumaradhari Bridge work without the provision in the estimate. The amount should be transferred to tools and plant and half the value refunded to Government.

PART III ACCOUNTS.

69 Cash book - defects in the maintenance:

(a) Cash collections are not entered in the cash book promptly as and when received but are booked only after they are remitted into the treasury. For example a sum of Rs. 384/- received on 31st October 1934 and remitted on 1st November 1934 was entered in the cash book only on 1st November 1934 and the cash balance on the 31st October 1934 shown in the cash book as Rs 231/13/6, was certified to as correct while the actual balance on that day was Rs. 645/13/6.

(b) There were also cases of withholding collections from remittances. While a sum of Rs. 796/0/ collected on 4th January 1935 was remitted on 4th January 1935, a sum of Rs. 117/- collected on 3rd January 1935 was remitted only on 5th January 1935.

(c) Against the correct amount of Rs. 40/14/0 due as per the bill, the cheque no. 90000/14/12/34 was drawn for Rs. 66/6/0 while in the counter foil the correct amount of Rs. 40/14/0 only was shown. The amount drawn in excess was credited on 2nd March 1935. No explanation was forthcoming as to how the excess amount different from that noted in the counterfoil came to be entered and drawn.

70. With-holding of collections by section Officer.

A check of the imprest accounts submitted by the Section Officer Mangalore North, revealed that the entire collections on the day of remittance were not remitted completely into the treasury on several dates-vide details in the annual objection statement.

(b) The entire collections on hand with the bungalow watchers on the day of collection were not collected by the Section Officers in several instances, vide details in the annual objection statement. The defect was noticed in the several sections.

71. Large quantity of girders and other iron materials lying at site not accounted for:

During the audit of the accounts of the Venur, Dhulihole and other bridge works, it was noticed that surplus iron materials purchased long ago for other bridge works were transferred to these works. The material at site account and annual verification statements of the District Board Engineer's office did not show any balance of such materials as lying unutilised. The President, District Board, was addressed on 1st February 1935 to furnish a list of iron materials remaining unutilised. After repeated reminders the District Board Engineer furnished a statement on 8th July 1935 showing that the iron materials purchased for Dhulihole and Punjalcatta bridge works as remaining unutilised were the only balances of such materials. The local audit revealed that large quantities of such materials have been lying at various places in the District Board. In their letter dated 5th June 1935 Messrs. Rao and Rao, an Engineering firm of Mangalore reported that a large quantity of very valuable girders was lying idle at the foot of the Panemangalore Bridge, and requested the sale of some of them. Accordingly the sales of some of them (girders) were conducted and an amount of Rs. 466/1/0 was realised. A list not signed by the Engineer was prepared and shown which revealed the existence of iron girders of various sizes at the sites of various bridges such as Panemangalore Gurpur etc, constructed with the aid of government grants. While such valuable girders were available in the district, the District Board Engineer, ordered from Madras girders required for such small works as culverts, on the trunk and other second class roads constructed in 1934-35. In the absence of an authorised account of materials verified every year it is not possible to say how far such valuable materials have been

misused. A complete account duly verified by the Engineer should be caused to be prepared without delay and included in the materials-at-site account and annual verification statements. Large quatities of such girders etc., have been transferred on other worksm in which also iron materials have been separately purchased. No deduction for the value of these materials was made from the contractors' bills.

72. Materials at site statements:

Monthly statements are being sent for each work only when there are transactions. Under rule 292 and Executive instruction (485) of the Local Boards Manual, a statement has to be submitted by every subordinate for each work under him every month. When there are no transactions in a month a statement showing simply the names of works has to be submitted stating that during the month there have been no transactions for the materials on them.

Due to the omission to follow the correct procedure and the way in which the statements are filed, it has been difficult to see that no items have been omitted to be carried forward to the ~~A.V.~~ Annual Verification statement. The following instances of omissions to bring forward materials shown in the monthly statements to the Annual verification statement illustrate the defects in the system followed.

culvert in 48/1 & 51/8 of Road No A-16 : 322 c.ft

(1) Reconstructing ~~Punjalcatta Bridge 6356 c.ft~~ of laterite stones ~~and iron materials to the value~~ of Rs 3350/-

(2) Widening road No. 10 7/1 and 2.

(3) Reconstructing Punjalcatta bridge 6356 c ft. of laterite stones and iron materials to the value of Rs 3390/-

(4) Maintaining road No. A 22, 38th Mile 315 C.ft rough stones and 40th mile 100 c.ft stones.

(5) ~~Making~~ Maintaining road No. 5(9)/4 3600 c.ft blasted granite rock.

(6) ~~Making~~ " Road 11, 16th mile 261 c.ft granite stone.

(7) Improving the northern approach of Udiavar ferry 223 c.ft gravel.

73. Register of miscellaneous sales:

The registers were not written up immediately sales were sanctioned but were written up from the imprest cash abstracts received from the section officers. The register should be written up then and there as soon as each sale proposal is received so that the prompt sales and realisations may be watched.

(2) The recoveries also were not noted by account heads with a view to tally the collections with the figures appearing in the District Board Accounts.

74. Completion reports:-

Though completion reports have been prepared and submitted for the works for which they are required, none of them were placed before the District Board for its information and approval of the deviations as required by rule 267 of the Local Boards Manual The resolutions of the Board on the completion reports have not been communicated to this department.

75. Security deposits.

A certificate as to the verification of the balance of deposits received otherwise than in cash prescribed by Rule 5(2) (b) of the Rules issued in G.O.No. 1091 L & M., dated 22nd March 1932 was not furnished in the Register and the statement to be sent to the Audit Department as per rule 5(2)(a) ibid was also not sent.

PART IV.

76. Result of Audit:

The general result of audit may be considered fairly satisfactory both as regards the financial administration, and ~~as regards~~ accounts, ~~both~~ in regard to the District Board and the District Board Engineer's offices. The accounts of the District Health Officer may be considered satisfactory.

The gross receipts and charges of the year were Rs. 8.41,512/5/6 and Rs. 9,38,294/14/4, respectively.

Two thousand three hundred and twenty seven objections were pending settlement at the end of the year as shown below.

Year.	District Board. No.	Amount involved. Rs. a. p.	Year.	District Board Engineer No.	Amount involved Rs. a. p.
1931-32	1	8 11 0	30-31	1	1432 0 0
1932-33	12	30 7 0	31-32	1	600 0 0
1933-34	300	28147 3 6	32-33	18	5678 5 0
1934-35	1777	159783 4 6	33-34	35	9413 9 6
			34-35	182	13685 5 11
Total	2090	Rs 187969 10 0		237	30811 4 5

R. Venkatarama Ayyar,
Assistant Examiner of Local Fund Accounts
Southern Circle, Trichinopoly.

(True copy)

Superintendent,
Office of the Examiner of Local Fund
Accounts, Madras.

C.S./18.1.36

APPENDIX I.

(Vide paragraph fifty seven) of the Audit Report.

Name of work.	Name of tenderer.	Rate.
1. Road No. A.16 Peraje to Aranthod Section 58/1 to 60/8 Est. Rs. 1350/-	1. D. Muthappa Rai	2% less
	2. Marcel Lasrado	6% less
	3. H. Muse Beary	5% less

Engineer recommended No. (2)

Tender passed in favour of D. Muthappa Rai 2% less – No reason.

2.	Sampaje to Frontier -Section 64/1 to 66/8 Est. Rs. 1350/-	1. K. Badva Kunhi Beary	Est. rates
		2. Aithappa Alias Dumana Shetty.	3½% less

No. I at estimate rates accepted - Reason No. 2 new.

3.	Mangalore Mysore Trunk Road Charmadi to Frontier section 49/1 to 56/3 estimate Rs. 3690/-	1. P. Monappa Maistry	1% less
		2. S.M. Pereira	3 1/8% less

Accepted No.1 at 1% less - No. 2 new.

4.	Bisly Ghat Road No.2-A Kadaba to frontier 18/1 to 32/2. Estimate Rs. 3250/-	1. Simon Serao	6% less
		2. Kunhi Pokere Beary	5% less
		3. Kelu Nayar	6% less

No. 2 accepted - Engineer recommended No.3. No reason assigned

5.	Kalladka Kanhangad road No.3 Perla to Badiadka 38/1 to 43/8 Est Rs.1400	1. D. Sankappa Alva	5% less
		2. Bhandary Shettv	8% less
		3. K. Upendra	Est. rate
		4. K. Rama Chandra	2% less

No. 3 accepted.

Engineer recommended No.4 - No reason for rejection.

6.	Periya to Kanhangad 61/1 to 68/4 Estimate Rs. 1195/-	1. Pachikar Ambu	10% less
		2. T. Parameshwar Mussad	9% less
		3. K. Amanatha Kutty	6% less
		4. M. Govindan	7% less

No. 2 accepted. - No. 1 new.

7.	Mangalore Agumbe road No.5 Kadri to Thiruvail 2/5 to 6/8. Estimate Rs. 1300/-	1. K. Koragappa Maistry	3% less
		2. L. Lasrado	8% less

Accepted No.1 . No.2 petty contractor.

8.	Gurpur to Bilechar Section 11/1 to 16/8 Estimate Rs. 1600/-	1. M. Shivayya	1% less
		2. N. Subbanna Bhatta	3% less

No. 1 accepted - No. 2 is not known.

9.	Bannadka to Karkal section 25/1 to 32/8 Estimate Rs 3250/-	1. K. Padmanabha	1% less
		2. T. Manjayya Hegde	5% less
10.	Karkal to Ajakar section 33/1 to 41/8. Estimate Rs 3050/-	1. L. Pinto	2% less
		2. Mada Shettigara	5% less

Accepted No. 1 - No. 2 petty contractor.

11.	Ajekar to Mudradi 42/1 to 49/8 Estimate Rs 3200	1. K. Nagappa shetty	5% less
		2. K. Rudrappa Shetty	3% less

Accepted No. 2 - No. 1 new man

12.	Mudradi to Seetanadi 50/1 to 55/8 Estimate Rs 2,300/-	1. K. Sachidananda Ballal	6% less
		2. S. Venktesh Nayak	1% less
		3. Rudrappa Shetty K.	3% less

No. 3 accepted - No. 1 new man.

13.	Kasaragod Jalsoor road No. 8 Parappa to Jalsoor 27/1 to 31/3 Rs 3450/-	1. D. Muthappa Rai	Estimate rates.
		2. Kalnad Muhammad	10/ less.

No. 1 accepted at Estimate rates - Engineer recommended No. 2

14.	Karkal Padubidri road No.12 Sec. Belmon to Padubidri 10/1 to 18/8 estimate Rs 1500/-	1. N. Narayana Addyanthaya	Est. rates
		2. P. Karianna Shetty	5% less
		3. Dodanna Shetty	7% less
15.	Malpe Udipi Karkal road No.13 Sec. Udipi to Heriadkaka 0/1 to 7/8 Est Rs 2300	1. John Andrade	Est. rates
		2. Herianna Hegde	5% less
		3. B. Subbayya Hegde	5% less

1. 0/1-3/8 at estimate rates

2. 4/1-7/8 5% less

Sec. divided into two and given to 1&2.

16.	Do. Heriadka to Bailoor 8/1 to 14/8 est. Rs 1800	1. K. Mahabala Hegde	4% less
		2. K. Ramayya Hegde	Est. rates

No. 2 accepted

17.	- Do - Bailoor to Karkal 15/1 to 21/4. Est Rs 2200	1. K. Veerayya Shetty	3½% less
		2. K. Thrivikrama Hegde	5% less
		3. K. Krishnayya Hegde	4% less
		4. B. Govinda Kini	Est. rates

3. 16/1-18/8 at 4% less

18.	Udipi Malpe Road No. 13-A sec. 0/1 to 3/4 Rs. 1600	1. A. Raghavendra Nayak	5% less
		2. Adam Dawud Saheb	5% less
		3. R.M. Andrade	Est. rates
		4. J. Basappa Hegde	5% less

No. 3 accepted at Estimate rates, - others new.

19.	Seetandi Brahmavar road No. 15 - Seetanadi to Kalthur 0/1 to 5/8 Est. Rs. 2100/-	1. B. Vittal Hegde	3% less
		2. K. Rudrappa Shetty	7% less

No. 1 accepted

2 has got sufficient work at Road No. 6

20.	- Do - Kalthur to Karje 6/1 to 11/8 Est. Rs.1580	1. P. Sanku Pujari	Est. rates
		2. T. Bhoraja Hegde	3% less
		3. Mahabala Shetty	10% less

No. 1 6/1 - 8/8 at Estimate rates.

3 9/1 - 11/8 10% less.

21.	Someshwar Koteshwar road No. 17 - Someshwar to Albadi sec.0/1 to 8/8 Est. Rs.2400	1. H. Sachinanda Ballal	5% less
		2. B.M. Shivarama Shetty	6½% above

No. 1 accepted at 5% less

2 has not experience of work.

22.	Albadi to Halady sect. 9/1 to 16/8 Est. Rs. 1350.	1. H. Krishnayya Shetty	7½% less
		2. B.M. Shivaram Shetty	Est. rates

No. 2 accepted at Estimate rates

1 new man.

23.	Halady to Amasheball 17/1 to 22/8 Rs. 1600/-	1. Narayana Shetty	9% less
		2. Raghurama Hegde	Est. rates
		3. B.M. Shivarama Shetty	6% less

No. 2 at estimate rates 20/1 - 22/8

3. 6% less. 17/1 - 19/8

1. No experience of work.

24.	Hanegalkki to Koteshwar section 23/1 to 29/2 Rs.1750	1. B. Vittal Shetty	8% less
		2. B.M. Raghunatha Shetty	7½% less
		3. K. Kantharpa	5%
		4. B.M. Shivarama Shetty	6½% less

2 at 7½% accepted.

1 has no experience of work.

25. Hossangadi ghat road No.19 sec. Siddapoor to frontier 11/1 to 20/3 Rs. 3000
1. A. Duggappa Shetty 2% less
2. A.A. Salins Est. rates

Accepted No. 2 at estimate rates.

1 new man.

26. Wandse Halkal road No.20 Sec. Wandse to Halkal 0/1 to 10/4 Est. Rs. 1500
1. Ram Udna 6% less
2. K. Shanker Shetty 10% less

No. 1 5/5 - 10/4 6% less

2 0/1 - 5/4 10% less

27. Nagodi Ghat road No.21 sec. Nagodi to Lakshmipur Frontier and Bennette Branch 27/1 to 32/7 and 0/1 to 4/3 Est. Rs. 2900
1. C. Chinnayya Shetty 5% less
2. K. Sesha Shetigara 2% less

No. 2 at 2% less - 1 new.

28. Coast road No.22 North Urva to Kuloor Sec. 2/3 to 4/7 Rs 1300/-
1. Koragappa Maistry 1% less
2. L. Lasrado 7% less

No. 1 accepted - 2 petty municipal contractor.

29. Kulur to Surathkal sec 4/8 to 8/8 Rs. 1750/-
1. H. Ramakrishna 2% less
2. K. Koragappa Maistry 5% less

No. 1 accepted - Engineer recommended No. 2 - No reason.

30. Surathkal to Pavanje 9/1 to 13/2 Rs. 1900
1. John Suares 5% less
2. P.D. Picardo Est. rates
3. H. Ramakrishna 6% less

3. Not satisfactory.
1. Petty contractor
2 accepted.

31. Hoolti to Padubidri 18/4 to 21/8 Rs. 1700
1. V. Sadashiva Shetty 2% less
2. T. Ananthrama Hegde est. rates

No. 2 accepted - (No. 1 experience of work.

32. Padubidri to Uchil sec.23/1 to 27/8 Rs.2650/-
1. P. Haganna Shetty 2% less
2. Narain Naithis 3% less
3. Anthayya Hegde 2% less
4. Ruska Shetty 6% less

3. 22/1 - 24/8 at 2% less

4. 25/1 - 27/8 at 6% less

33. Udiavar to Udipi 13/5 to 36"/8 Rs. 1500.
1. P.M. Andrade Est. rates
2. Adam Duvul Saheb 5% less

No 1 accepted at estimate rates

34. Bhadragiri to Mabukal 42/2 to 46/6 Rs. 1450/-

1. I. Vittal Shetty Est. rates
2. B.M. Shivaram Shetty 12% less

No. 1 accepted at Estimate rates.

Engineer recommended No. 2

35. Kota to Koteshwar 52/1 to 55/8 Rs. 1700

1. B.M. Raghunatha Shetty 7% less
2. P. Raghurama Hegde 5% less
3. B.M. Shivarama Shetty 3% less

No. 3 at 3% less accepted - Engineer recommended No.2

36. Koteshwar to Coondapoor 56/1 to 59/8 Rs. 2700/-

1. K. Padmanabha Hebbar 14% less
2. H. Rangayya Shetty 3% less
3. B.M. Shivarama Shetty 13% less

No. 1 59/1 - 59/8 at 14% less
2 56/1- 57/8 at 3% less

Engineer recommended No. 3

37. Coast road No.22 South sec. Chamiragiri to Bekal 31/1 to 37/8 Rs. 600/-

1. K. Devappa Banta 9% less
2. C.H. Kelan 8% less
3. ~~Kalrad Muhammat~~ Abdul Khadi 10% less

No. 2 accepted at 8% less
1 has sufficient work.
3 work not satisfactory.

38. Bekal to Kanhangad 37/7 to 45/6 Rs. 1050

1. H. Govinda 7% less
2. C.H. Kelan. 6% less
3. Kalrad Muhammad 10% less

No. 1 at 7% less accepted. - No. 3 has sufficient work.

39. Kanhangad to Cheryathur and Kanhangad Branch 45/7 to 53/8 and 45/7 to 46/8 Rs. 1500

1. C.H. Abdulla 5% less
2. H. Anandan 5½% less

No.1at extimat 5% less - 2 recommended by D.B.E. District Road Engineer

40. Shankernarayanam Siddapoor road No. 18-A sec. 1/4 to 7/3 1100

1. S. Padmahabha Bayari 6% less
2. A. Narayana Shetty 8% less

No. 1 at 6% less accepted - 2 new.

41. Haladi Shankernarayana Road No. 19 sec. 0/1 to 2/3 Rs. 600

1. H. Krishnayya Shetty 10% less
2. Anantha Holla Est.rates
3. H. Rangayya Shetty 11% less not signed the

No. 1 accepted at 10% less - 3 ~~No signature~~ tender correctly.

42. Bajne to Kinnigoli 11/1 to 12/4 Rs. 800

1. Jerry Fernandes Est. rates
2. H. Lingappa Shetty 4% less

No. 1 at estimate rates accepted - 2 new run.

43. Uppala Bayar road No.31 Uppala to Bayar 0/1 to 9/4 Rs.700/-

1. U. Anthappa 10% less
2. Thunga Shetty 5% less
3. Venkappa Nai 8% less

No. 3 at 8% less accepted - Engineer recommended No. 1

44. Hosdrug Pahathadi road No.37 Iriya to Chullikere sec. 6/1 to 11/ Rs. 396/-

1. C.K. Kelan. 6% less
2. K. Kanaran. 3% less

No. 2 at 3% less accepted - 1 has work elsewhere.

45. Reconstructing the culvert in 3/7 of Road No.13 ~~Rs. 2960~~ Estimate Rs. 2960

1. John Andradi Estimate
2. M.S. Shetty 1% less

(1) accepted - 2 new run.

46. Special repairs to Kotachari Kondadi Road No.34 Rs. 1240/-

1. L. Lobrado 6½ less
2. L.J. Dommappa 5% less
3. D.P.C.D. Andrade 3% less
4. Antony Fernandes 2% less
5. K. Koraganna Kshetry Est. rate

Sec. subdivided into 2. 0/1 -0/5. No. 2 at 5% less
0/6 - 0/8 to No. 1 at 6% less

C.E.

Replies to Audit Report on the General Fund Accounts of the South Kanara District Board for the year 1934/1935

PART I- GENERAL REVIEW.

3(a) and (b). The remarks of Government on the inaccurate budgetting of receipts and charges pointed out in paragraph 3 of the Audit Report for 1933/1934 and the orders of Government on the budget estimate for 1935/1936 were brought to the notice of the Budget Committee while scrutinising the budget estimate for 1936/1937.

4. The objections pointed out in the objection statements will be replied separately.

PART II- FINANCIAL ADMINISTRATION.

5. Outstanding objections.

5(a) Delay will be avoided hereafter.

5(b)(i) Rs 500 was paid for leprosy work. The Inspector of Local Boards and Municipal Councils has sanctioned the payment of the contribution in his D. Dis. 18380/36 dated 29. 6.1936.

5(b) (2) and (3). Action is being taken to set right the defects pointed out.

5(b) (4). In all cases necessary action has been taken. Licenses have since been issued in many cases.

5(b) (5). The arrears of lease rent outstanding against the lessee Peraje Narayana Pai, as shown in the D.C & B Register was Rs 35. After the suit was filed and a decree passed Rs 2 was paid by the lessee and the amount was credited in T.R.No. 156/8.8.33. Hence the balance outstanding is Rs 33.

On a further investigation into the matter by Mr. Molahalli Shiva Rao District Board Member, Puttur (i. e. prior to the filing of the suit) he states that the actual arrears comes to Rs 24.

Very prompt action is being taken in the matter ---

which will be decided in the next meeting.

5 (b) (6). The law charges due to the vakil Mr. S. Ananda Rao Puttur, have not been paid yet. ~~M~~ He had only sent a bill. Hence the question of r covery of the unnecessary law charges does not arise at this stage. If the vakil insists on the pay-ment ,the amount will be recovered from the person responsible.

5(b) (7). Recovery of lease rents and obtaining lease deeds from the lessees in respect of lands leased out is beset with practical difficulties. At the time of the annual audit many of the lease papers were pending with the Section Officers. Prompt action has been taken to get back the papers. They will be produ-ced before the District Inspector during the next local audit.

5(b) (8) (a) Execution was taken in January 1936.

5(b) (8) (b) and (c). Further attempts are being made to collect the amounts in two cases.

5(b) (9) Sanction was accorded in G. O. No 308 Mis. L and M. dated the 24th January 1936.

5(b) (10) Vide G.O. No. 4859 L and M.dated 25.11.1935.

5(b) (11) Sanction was accorded in G.O. No. 5038 Mis. L and M. dated 7.12.1935.

5(b)(12). No amount was recovered at the last execution.

5(b) (13). Arrangements have been made to execute the decrees.

5(b) (14). The total amount due up to 29.3.35 was Rs 488.1.11.

5(b) (15). 1927/28. Kariangot. Execution petition was struck off on 3.8.35 as the judgment debtor was not available for arrest in spite of repeated attempts to get him arrested.

1928-1929. Uppala. The judgment debtor has filed an insolvency petition.

Mogral. The encumbrance certificates have been obtained to file the execution petition.

Kavunjare. Execution petition was dismissed on 23.7.1935.

5(b) (16) (a) recovered on 11.1.1936

5(b)(16)(b) sanctioned in G.O. No 5074/Mis L and M.dated ----

9-12-35 X

9.12.1935 and G.O. No. 1531 L and M.dated Mis. 21.4.1936.

5(b) (16) (c). Rs 7.6.0 recovered on 19.11.1935 and the balance written off in District Board Resolution No 187 dated 30.3.1936.

5(b) (16) (d). Final reply of the Dy: Tahsildar is awaited.

5(b) (17). Sanctioned in G.O.No.Mis 308 L and M.dated 24.1.1936 and 1531 L and M. Ms. dated 21.4.1936.

5(b) (18). The amount was arrived at on the five years average bids from 1926/1927 to 1930/31.

5(b) (19) (i). The Board in its Resolution No 12 dated 23.10.3. fixed the total security at Rs 6000.

5(b) (19) (ii). The matter is under correspondence.

5(b) (19) (iii). The question of recovery of the amount is under correspondence in all the 4 cases.

5(b) (20). The renters did not furnish the agreements. Action has been taken to recover the amounts due.

5(b) (21). This has since been collected (Mis. Receipt No 1802 dated 2.5.1936).

5(b)(22). The lorry did not ply for hire although the registration certificate shows that it is intended for public conveyance. No reports have been received from the police as regards the running of the lorry for hire. The reply received from the District Superintendent of Police was shown to the District Inspector of Local Fund Accounts recently and he has since dropped the objection.

5(b) (23). The adjustments will be made and shown at the next audit.

5(b) (24). All the items have been since adjusted with the exception of Re 0.8.0 (out of Rs 20 paid on 27.7.1932)which was remitted into the District Treasury on 17.6.1936 in T.R. No. 376/17.6.1936.

5(b) (25). The advance has been adjusted in May 1936.

5(b) (26). Government sanction has been applied for in this Office letter C.No. 6987/ A4/36 dated 20. 6. 1936.

5(b) (27) . Necessary action has been taken.

5(b)(28) . The Tax and License Inspector Mangalore, was directed to find out the whereabouts of the party. He reported that the whereabouts of the said party were not known and that on account enquiry in the village he was told that the enclosure put up by the party was without any roof. The papers will be placed before the District Board for writing off the amount.

5(b) (29). The service registers on behalf of the midwives have since been opened and will be produced during next local audit.

5(b) (30) . The action of the late Karkal Taluk Board in having made the local purchase of the drug has been condoned in G.O. No 40 P.H. dated 6.1.1936- a copy of which had been communica--ted to the Audit Office in R.O. C.No. 12278/ E1/34 dated 11.1.1936.

5(b) (31). Diversion of earmarked fundshas been sanctioned by Government in G.O. No. 1938 Ms. L and M. dated 12.5.1936.

5(b) (32). The P. F. contributions for 1932/33 and 1933/34 are being adjusted and will be completed by the end of July 1936.

5(b)(33). The expenditure incurred by the Ex Taluk Board Kasaragod has been sanctioned in G.O. No. Ms 2641 dated 19.6.1936.

5(b) (34). The matter has been dropped , please vide Government Memorandum No. 52077-1 B 1 L and M.dated 9.12.1935.

5(b) (35). The copies of decrees and execution petitions obtained in respect of the arrears of markets were sent to the District Inspector of L.F.Accounts at the time of replying the objections relating to the ex Taluk Board, Kasaragod. The said copies of decrees and execution petitions have since been re--ceived back from the District Inspector . Action is being taken for the recovery of the arrears.

5(b) (36). The sum of Rs 19.0.0 relating to 1929/1930 was written off in District Board Resolution No 195 dated 30.3.1936 as irrecoverable . Out of Rs 87.8.0 relating to 1930/1931, Rs 71.8.0 have been collected and Rs 16 written off in District Board Resolution Nos 195 and 197 dated 30.3.1936.

5(b) (37). The question may kindly be dropped in view of the fact that the Taluk Board which is responsible for this omission is now defunct. Attention is invited to Para 6 of G.O. No.Ms. 766 L and M.dated 25.2.1936.

5(b) (38). The service registers have since been opened for the midwives in the District Board Office.

5(b) (39). The papers have been since received back from the Ex President, Coondapoor Taluk Board. They will be shown during the next annual audit. In the meanwhile action is being taken for getting the lands vested in the Board.

5(b((40). Most of the lessees have since been reported by the Revenue Department to be insolvent. In other cases action has already been taken to take fresh executions. The papers will be shown during the next audit.

5(b) (41) (a). Steps will be taken for the recovery of the ------- amount.

5(b) (41)(b) The papers connected with the subject have been forwarded to the President Panchayat Board, Coondapoor, for disposal in this Office D.Dis No. 4988/ 36 dated 3.5.1936.

5(b) (42). The matter is still under correspondence with the Revenue Department.

5(b) (43). The Government have been addressed in the matter in this Office Ref 1916/A2/36 dated 2.5.1936.

5(b) (43)(44). Since the teacher has been adjudged as an insol-vent the recovery of any portion seems doubtful. However the records have been called for from the Pleader.

5(b) (45). The temple authorities have been requested to remit the amount at an early date.

5(b) (46) (7) (1). A copy of G.O. No. 190 L and M.dated 27.1.22 has already been sent to the Audit Office.

7 (2). The total number of cattle brought into the fair ground as intimated by the Forest Department was 17423 and collections were made as in all previous years by the Forest Department at the rate of annas two per head of cattle brought to the fair ground. There are no other records available.

7.3). The records called for from the Health Inspector have not been received. They will be furnished on receipt of in this office.

7(4). No records are available in this office since the manure was sanctioned by Engineering Department.

7(5)(b). Since the Puttur Town road on which the plot in question lies was made over to the Puttur Panchayat Board neither lease deed was obtained nor ~~Rent~~ collected from the party .

(6). The file of papers had already been produced

46 (7). The returns called for have not been received from the Health Inspectors.

47. Since Government in their Order No. Ms. 3735/L and M-dated 14.9.1935 have not raised this objection further, the objection seems to have been dropped altogether by Government.

5(b) (48)9(a). A sum of Rs 0.14.6 has been adjusted in Voucher No. 553/ June 35 . The balance of Rs 14.2.0 will be adjusted early.

9 (b). Will be produced during next audit.

5(b) (49) Credited as per T. R. No. 38/2.5.1936.

5(b) (50). The sum of Re 0.2.0 was credited to the Elementary Education Fund on 15.5.36.

Para 6. The arrears of profession tax outstanding on 1.4.1935 have been reduced from Rs 14150.2.0 to Rs 4164.3.0 on 31.3.1936 as shown below.

a) Arrears pending on 31. 3. 1936.

Coondapoor.....	Rs 132. 8.0
Udipi	" 471.11.0
Kasaragod	" 1043. 8.0
Puttur	" 53. 0.0
Mangalore	" 2041. 0.0
Karkal	" 422. 8.0
	Rs 4164. 3.0

(b). On account of dislocation of work after the abolition of the Taluk Boards and the inadequacy of staff for profession tax work, bills could not possibly be issued to the collection agency earlier. The arrears have been greatly reduced as is evident from the figures given above.

Para 7. Though the agency of the village officers was with drawn some bill books were still pending collection with the potails at the time of the audit. Hence all bill books could not possibly be produced at the time of the audit.

In future bill books will be obtained from the collec-tion agency and produced for audit.

Para 8. Action is being taken to recover the amount from the persons concerned wherever demand notices were not served within the time.

Para 9- Udipi Taluk- 1929/1930. The Revenue Divisional Officer Coondapoor has been requested to recover the balance of warrant fee of Re 0.2.0 from the potail of Shivalli Village.

1931/1932. Balance of tax now remaining settlement is Re 47.0.0 tax and Rupee Nil warrant fee. Out of Rs 47.0.0 a sum of Rs 12 relating to an insolvent assessee of Shivalli Village has been found to be irrecoverable. A sum of Rs 34.0.0 relating to Kodavur Village was misappropriated by the former potail who had also misappropriated Government Land Revenue money to the extent of Rs 3000 and had undergone imprisonment. The amount has been found to be irrecoverable. The question of write off of Rs 46.0.0 has been referred to the District Board. Steps have been taken to recover the balance of Rupee 1 relating to Kachur Village.

1932/1933. There is a balance of Re 1.0.0 relating to Tenka Village . The Tahsildar of Udipi Taluk was requested to re-cover the arrears from the potail. He will again be requested in the matter.

A sum of Re 0.2.0 is due from the potail of Kachur Village. Steps are being taken to recover the balance warrant fee.

Coondapoor Taluk 1932/1933. At the time of audit the tax item was not barred by limitation as per Section 222 of Local Boards Act 1920. It has however now become barred. The tax has been found to be irrecoverable since the assessee against whom a prosecution was launched has been absconding. The matter has been referred to the Board to write off the dues to the Board.

Kasaragod Taluk - 1931/1932- Rs 128. 8.0. Out of this amount Rs 14 have since been collected, Rs 94. 0.0 written off as irrecoverable . Steps have already been taken to collect the balance of Rs 20.8.0.

1932/1933. Rs 324. A sum of Rs 260.8.0 has already been collected and Rs 2.0.0 written off. The balance will be collected soon

Puttur Taluk.

Tax.		Warrant fee.	
1930/1931.....	Rs 6.0. 0	-	) This has since
1931/1932.	" 0.8. 0	0. 2. 0	) been collected.

Mangalore Taluk.

Profession tax Rs 3. 8.0 and warrant fee 0. 2.0. for 1931/1932 and profession tax Rs 6,-8.0 and warrant fees 0.6.0 for 1932/33 I half year have since been collected. For the recovery of the balance amount, the Tahsildar is being addressed to effect recovery from the defaulting potails.

Karkal Taluk.

Profession Tax Rs 7.8.0 for 1931/32 and Rs 16.0.0 for 1932/33 I half year has been collected and steps have been taken to realise the balance.

Para 10. The amount has since been collected and credited to the District Treasury as per chalan No 434/ 23.4.1936 . The suit filed against the Board has been dismissed with costs.

Para 11. The Tahsildars have been requested to warn the Village Officers concerned against the misuse of blank bills which would certainly make them liable to criminal prosecutions. Circulars have been issued to all village officers not to tamper ~~transfer~~ with the bills.

Para 12. Lists were called for from the village offices and tax Inspectors. Besides this, all persons who were considered to be liable to pay profession tax were served with notices under Rule 11 A(i) of Schedule iv of the Madras Local (Amended) Act 1920. Rules 5 and 6 of G.O.No. 1116 L and M.dated 15.6.1921 seem to have been superseded by rule 11A (i) of Schedule IV of the Local Boards Act 1920.

Para 13. It has been found that the potail of Kodavur Village misappropriated profession tax to the extent of Rs 78.0.0 and Warrant fee Re 0.4.0 along with the Government Land Revenue money of about Rs 3000. The potail was convicted and sent to ~~dett~~ jail for having embezzled Government money. There is no possible way to recover the tax from the potail who is declared to be pauper by the Revenue Authorities. The question of write off of the dues has been referred to the District Board for consideration.

14(a) Uniform rates of license fees were fixed with effect from 1.4.1935 and the necessary notification was published in the District Gazette dated 22. 4. 1935.

b) Hair cutting saloons and chillies (wholesale trade) have not been included in Schedule VII of the Local Boards Act. G.O No 387 P. H.dated 20.2.1933 permits only the municipalities to license the above trades., and is therefore not applicable to local boards.

15(a) Since the traders did not actually transact their business during 1934/1935 no license fees were collected from them.

b) All the persons licensed during 1933/34 cannot be licensed during the succeeding official year unless they actually carry on the offensive and dangerous trade in that year. The persons carrying on offensive and dangerous trades were licensed during 1934/1935 as and when cases were detected. The omission is apparently due to the fact that ~~there~~ the trades were discontinued.

c) The persons are assessed to profession tax in their residences for the income they generally get outside their residence. Persons

may conduct their business in one place and reside in some other place. Hence it cannot be said that the persons whose names are found in the profession tax demand registers are not licensed. In several pther cases two or three persons may conduct offensive and dangerous trade in one premise after obtaining a license in the name of any one of the persons but all the share holders are liable to be assessed to profession tax. In these circumstances all the names found in the profession tax , demand registers need not necessarily be found in the demand register for license fees. License fee under Section 193 of the Local boards Act is levied for the use of premises for one or many of the purposes detailed in Schedule VII of the Act and not on individual persons.

16(a) Will be obtained in future as far as possible. The omission is due to the fact that Government servants at the time of transfer do not generally furnish this Office with discontinuance reports.

b) The Medical Officers Manjeshwar and Kasaragod have to credit the P. S. fees collected by them in the Kasaragod Sub Treasury which is at a considerable distance from either of the places. As there are no sub treasuries at Manjeshwar and Hosdrug, the Medical Officers cannot possibly credit the amounts as and when they are received. They therefore have to credit in one lump sum after collecting all the dues pertaining to one quarter.

Para 17. Please vide reply to Item No 5 (7) above.

Para 18(a). The amount outstanding to be remitted by the vaccinators will be credited . The District Health Officer has been requested to obtain the statements from all the vaccinators and send them to this Office in one batch with the Treasury receipts in question.

b) Considerable difficulty is being felt to recover the contributions from the temple authorities. Arrangements are being made to recover the contributions in full.

c) No arrangements have been made for the recovery of fees for sale of medicines in other hospitals. This will be referred to the District Board for its decision.

Para 19. The High School Committee at Mulki has spent valuation statement of the Engineering Department more than the balance Rs 250 due from the public for levelling the site of the play ground alienated for school purposes and the matter of either to pay the excess amount spent or to request the Committee to bear the entire cost has to be decided by the Board.

Para 20. The existing practice of remitting the fee collec--tions through the banks ~~haxe~~ has been discontinued as Govern--ment did not approve the arrangement of remitting school fee through banks.

Para 21 (a). The markets and cart stands (items 1,2 and 3) were not sold for want of bidders.

Item No 4 . Stalls Nos 7 and 8- were not sold since the possess--sion was not handed over and a suit has been filed against him-As regards Bappanad marlet (Item No 5) a sum of Rs 6 being the license fees was fixed by the Board as per Resolution No 7 dated 3.9.1935. The ~~arrea~~ owner of the weekly market has since been reminded to pay up the amount at once.

b) Noted for future guidance.

c) Noted for future guidance.

d) The agreements were obtained only for the balance amount due to the Board as the contractor paid half the bid amount in item No 1 and more than half the amount in respect of item No 2 in advance.

Para 22. As there was no suitable site no cartstand was opened for 1934/35 . As a panchayat board has since been constituted no further action has been taken.

Para 23.(a) relevant papers have been called for from the vakils concerned and will be produced during the next audit.

b) It may not be possible to include in the arrears full amount of costs etc awarded as all the papers connected with the suits have to be traced out from the records of ex taluk boards . Attempts are being made to bring the figures up to date before the next audit.

Para 24(a). Noted. The agreements will be obtained in future. Action was taken to get the agreements but the renters failed to execute them in these cases.

b) The objection has been raised evidently calculating the stamp duty according to Bottomry Bond No 14 of Schedule 1A of the Stamp Act whereas the duty is to be calculated as due on Bond No 15. A further reference R/13931/C/35 dated 2.6.36 has been made to the District Inspector of Local Fund Accounts and his reply is awaited.

c) (1) recovered in August 1935.

(2) do on 28th October 1935.

(3) do (Rs 1.7.0) on 11.1.36

(4) do on 2.8.1935

(5) Rs 7.6.0 recovered on 19.11.1935 and balance written off in District Board Resolution No 187 dated 30.3.1936.

(6) recovered on 18.7.1935 , 18.9.1935 & 30.9.1935

(7) under correspondence with the Dy: Tahsildar Hosdrug

(8) written off in District Board Resolution No 5 dated 3.9.1935 - vide G.O. No 5074/Ms L & M dated 9.12.1935.

(9) recovered on 27.5.1935

(10) do 4.9.1935

Para 25(a). The license fee on a public lorry is to be fixed on the unladen weight of the lorry. The information as regards the unladen weight of the vehicle is available only in the registration certificate issued by the District Superintendent of Police. In this case as the owner failed to apply for a road license in the form prescribed for the quarter ending 31.3.1934 with the registration certificate, a complaint was filed in the Sub Magistrate's Court Beltangady on 29.5.1934 demanding a fee of Rs 100 only for the quarter ended 31.3.34 as per regulation then in force. Accordingly the Sub Magistrate has collected the

license fee of Rs 100 only. As the information as regards the unladen weight of the lorry was not available while sending the complaint, the recovery may be waived.

b) Noted.

Para 26. The library grant was sanctioned by Government in November 1934 and it was not possible to claim the grant by the close of the official year 1934/35 as the books were supplied in March 1935 by the several firms with their bills. The payments were made to the suppliers at the latter part of March 1935 and their receipts were received at the end of March 1935. In two cases they were received in May 1935. The grant being adjusted on post payment system, grant cannot be claimed without payee's acknowledgments. The two vouchers 2841 March 35 and 2913/March 1935 with receipts were necessary for claiming the Government grant and these vouchers are now sent to Audit Office with reference to Items Nos 93 and 94 of Objection Statement for March 1935.

Paragraph 27. (a) Copies of the sanctioned budgets o the District Board for 1934/35 and 1935/36 were shown to the District Inspector during the annual audit. Copies of the sanctioned budgets will be furnished to the Audit Department in future.

(b) and (c). The instructions have been noted for future guidance.

Para 28(a). ~~Only four~~ tenders (were) received (~~they~~) were opened by the President himself, One on 14.5.35 and the other (~~three~~) on 15.5.35. All the tenders were in his personal custody till the morning of the 16th May/1936.

The opinion of the Superintendent Government Press was sought agreeably to Executive Instruction No 310 of the Local Boards Manual. The Superintendent Government Press in his letter dated 21.6.1934 did not specifically state that the tender of the Saraswathi Printing Works was the ---- lowest. He recommended the tender of the Saraswathi Printing

Works on condition that the Press reduced the rates under Schedule IV. As it was thought that asking a particular tenderer to reduce the rates after the tenders were received was against the principles of tendering the Superintendent Government Press was informed accordingly whether the rates tendered by the Saraswathi Printing Works were the lowest. In reply the Superintendent reiterated his opinion expressed in his previous letter without stating that the tender of the Saraswathi Printing Works was the lowest. When this matter was placed before the Board at its meeting held on 20-9-34 the Board accepted the rates tendered by the Kanara Printing Works as they were on the whole the lowest. This is evident from the comparative statement showing the rates tendered by the ~~three~~ presses ~~tenderers~~ put up before the Board.

b) In the tender Kanara Printing Works stated "Market Rate" for paper and the tender as a whole was accepted by the Board. The procedure adopted by other District Boards will be followed in future.

c) Noted for future guidance.

d) do

29 (a) This will be avoided in future. During the year 1935/36 tenders were called for for the supply of diet articles and necessary agreements were obtained from the approved contractors. The connected papers for the supply of the diet articles for 1934/35 have been called for from the Medical Officers and will be produced during local audit.

(b) The copies have been called for from the Medical Officers and will be produced during local audit.

Para 30.(1) Voucher No 1826/11-34. Purchase of breeding bulls Sanction of Government (G.O. No. 2459 Ms. dated 10.6.1936 has been since obtained and communicated to the District Inspector vide this Office R.C. 500 A5/35 dated 14.6.1936.

2) Vakil's fees of Rs 100 paid by Vr No. 2901/3/35. Sanction

of Government is not necessary under G.O. No. 4775 L and M.dated 31.10.34. If there are rules to the contrary a copy of the same may be furnished.

Vr No. 817/7.34. No outside sanction is necessary for the payment of law charges as the District Board is quite competent to sanc-tion it in the present case. If there are rules to the contrary they may be quoted when further action will be taken if need be-

(3). The District Health Officer has been asked to furnish the details in question.

(4). The contribution has been sanctioned by the ~~District~~ Inspec-tor of Municipal Councils and Local Boards in his D.Dis 22309/36 dated 30.6.1936.

Para 31. Pending orders of Government on the references made from this Office in the matter of increasing the staff, the temporary staff was entertained by the Board in July and August 1934 under the powers vested in it by Section 77(1) of the Local Boards Act and as per instructions issued in Government Memorandum No 12870 A1-L and M.dated 21.3.1934.

Para 32. Government have been addressed in this Office letter R.C.No. 7335/ A3/34 dated 29.4.1936 in the matter of allowing the increments sanctioned already by the Board as the teachers are eligible for them.

Para 33. Government have approved the change in the date of increment in the case of these L.T. teachers in Government Memorandum No. 21012/1 -A 1 dated 4.6.1936.

Para 34. The excess paid is being recovered in monthly instal-ments of Rs 10 each.

Para 35. The matter is being investigated into.

Para 36(a) The expenditure was incurred as per the arrangement made by the Puttur Taluk Board - Such unusual expenditure will be avoided in future.

b) The District Board in its resolution No 279 dated 30.3.36 has sanctioned the levy of rent at 10% of the pay of the

Medical Officers with effect from 1.4.1936. The quarters in question are occupied by Mr. A. Shama Rao- Medical Officer, Madaba and rent from 1.4.36 will be recovered from him.

Para 37. The non encumbrance certificates, sale deed , payee's receipts and order sanctioning the purchase were sent to the Audit Office in May 1936.

Para 38. The amount paid has already been recovered in 3 monthly instalments . The objection is noted for future guidance.

Para 39. Since adjusted.

Para 40. Noted. The investment is being made through the postal authorities.

Para 41. They are being calculated and adopted adjusted. This can be verified during the local audit.

(2) Will be avoided in future.

(3). The interest is correctly calculated as per rule 19 (4) (a and b)

(4) This will be carefully watched in future

(5). Noted.

(6). Since the clerk was confirmed with effect from 1.7.1934- the account was not closed.

(7) Since obtained in several cases.

(8) Since the amount was found to be insufficient to remit to the Post Office Savings Bank it was not remitted.

(9) Already sent to the concerned subscribers. In case of acknowledgments of deposit accounts for 1933/34 yet to be received , the subscribers have been reminded to furnish them-

(10) Since obtained .

(11) Noted.

Para 42 (a) Delay in the submission of the paid vouchers and monthly accounts to the Audit Office will be avoided as far as possible.

b) The figures in the statements showing the financial position of the District Board were worked out with reference to the last monthly account and the entries made in the rough posting books

of receipts and charges for the remaining months.

Paragraph 43. The monthly demand, collection and balance ---- statements have been prepared from April 1935.

Paragraph 44 (a) (i) . Will be maintained.

Paragraph 44(a) (2). The register of alterations of grant will be maintained for 1935/36 and onwards.

44(a) (3).It is being maintained now.

Paragraph 44(b) (i). The practice followed by the defunct Taluk Boards was adopted. They are now being maintained in the office.

(2). Will be maintained

(3) (a). Is being maintained during 1935/36.

(b) The collections made by the Tax and License Inspectors were accounted for by them in the cash books maintained in their offices.

(c) A register of the endowments or trust held by the Treasurer of Charitable Endowments and managed by the District Board is maintained and a copy of that register was furnished to the District Inspector of L.F.Accounts in May 1936.

d) Articles not required by the District Board Office are ---- auctioned by the Section Officer and the register is maintained there. Another will be maintained in the District Board Office from this year onwards.

Para 45. Will be maintained.

Para 46. Owing to the abolition of Taluk Boards some money value forms noted in the para as excess were found mixed with other records. They were removed and kept. Some books which were moth eaten and hence found unserviceable were destroyed. Through oversight a bundle containing 25 books were inadvertently destroyed . The President is satisfied that the books were not used. The value of the books has since been recovered from the concerned clerks.

Para 47. One of the pensioners receives payment of the pension in person. The second pensioner was mustered in March 1935 and March 1936. The third pensioner, a retired school

master now at Coondapoor was asked to give his muster in the presence of the President but he has produced the medical certi -ficate of the Civil Assistant Surgeon, Coondapoor, to the effect that he is not in a fit state of health to move about and to travel to Mangalore. Hence his pension is being disbursed through the Headmaster of Board High School Coondapoor.

Para 48. A sum of Rs 21.14.3 out of the unrecouped expenditure on 1.4.1934 incurred by the ex Taluk Board Presidents out of the permanent advance has been adjusted during the year 1935/36. Action is being taken to adjust the balance of Rs 20.10.0

Para 49. (a) The Tax Inspectors' posts have since been abolish- -ed and the incumbents have been absorbed in the District Board Service. The objection may therefore be dropped now. Action is being taken in regard to the security to be obtained from others.

Para 49(b). Will be furnished in future.

(c) Bonds will be obtained from the individuals who have furnished security.

Para 50. The books of the ex Taluk Boards could not be produced owing to the several changes introduced in the staff. The neces- -sary books will be traced and produced during the next audit.

Para 51. Service registers have been maintained for District Board servants as required by Rule 14 of the rules issued in G.O. No. 3549 L and M. dated 8.9.1932. The services of the several incumbents have been duly verified. In cases where leave accounts were incorrectly prepared, fresh leave accounts have been got prepared as soon as the defects were pointed out by the Audit Department.

District Board Engineer's Accounts.

Part II- Financial Administration.

Para 52. The District Board Engineer states that many of the old objections have since been adjusted and that the remaining will be got adjusted early

1) The connected records will be produced on receipt of the same from the Advocate engaged in the case.

2) Orders have been issued by the District Board Engineer to utilise all the materials in the course of this year without fail.

3) The deviations have been sanctioned in District Board Resolution No 236 dated 30.3.1936.

4) The sanction of the Board will be obtained to the deviations and the completion report recorded ~~recovered~~ very early.

5). All the materials will be used during the current year in all cases where they have not been still utilised.

6(a) The Government waste lands have already been vested in the Board. Only two small bits of lands have to be acquired for which necessary action has already been taken.

b) The site of Renjal well has since been vested in the Board.

c) Half the amount of the sale proceeds Rs 42.4.0 has been credited to Government on 31.3.36. As regards the refund of further grant, a kind reference to this Office letter Ref. 238/A2/35 dated 29-4.1936 is solicited. Orders of the Government are solicited on this letter.

d) The lands will be got vested at an early date.

(7). The District Board Engineer has called for the explanations of the Section Officer, and necessary steps will be taken on its receipt. (8) The recovery is pending receipt of a bill for the work.

9) The materials found short have been written off in Standing Committee Resolution No 50 dated 23. 9. 1935.

(10) The matter is pending with the District Board Engineer South Kanara, who has been asked to state clearly how much amount of grant has to be refunded to Government. His reply is awaited.

(11) The work has since been completed and the girders utilised.

(12) The matter is under correspondence with the District Board Engineer.

(13) Kalgundi bridge. The matter is pending with the Distri

Board Engineer

Mundaja Bridge. The vouchers have been returned to the Audi Office. The papers were recorded by the Ex President, District Board.

(14) (a) and (15). In G.O. No 1141 L and M. dated 20.3.36 Government have permitted to debit the expenditure of Rs1625 incurred in 1932/33 and 1933/34 to the bridge work and grant has already been drawn for this amount. The District Board Engineer therefore states that the question of recovery does not arise now.

(16). The matter is being investigated: Final action will be reported to the District Inspector of L.F.Accounts in due course.

(17) Vide reply to Item (2) of Para 52 of this report.

(18). The amount has been recovered from the salary of the concerned Section Officer Mr. T.R. Subramania Ayyar for January 1936.

(19) It is neither desirable nor possible to hold another inquiry into this matter as the then Section Officer and the Assistant Engineer have since been transferred to some other places. The matter may therefore be dropped.

20A. The District Board Engineer states that the amount has been adjusted in the accounts for February and March 1936.

21(a). Sanction of the Board is being obtained.

21(b). Sanction of the Government has since been obtained.

20B. The District Board Engineer states that almost all such items have been adjusted.

21(c) In respect of a few cases in which the Engineer says he has addressed the President, District Board, action is being taken in the matter.

21(c), (d) and (e). The District Board Engineer has already been and will again be asked to take steps in the matter.

22 (a) and (b). The District Board Engineer reports that all the materials that were at work sites since a long time have been either utilised already or ordered to be utilised in the current year.

(23). The Section Officers have been asked by the District Board Engineer to do what is necessary.

(24)(a). Since no useful purpose will be served by taking further action in a matter which relates to so far back as 1933/34 the objection may kindly be dropped. Government grants have been refunded in almost all cases where they are pointed out by the Audit Department.

(25). The District Board Engineer states that the bonds have been obtained from the Section Officers in many cases and for the remaining ones Section Officers are being reminded.

(26) The road metal rate is being revised in the light of the audit remarks.

(27). The schedule of rates has been revised by the District Board Engineer but is being further revised now in the light of the instructions issued by the Superintending Engineer re-cently.

Para 53. The District Board Engineer states that the pending items have been replied separately and that the further remarks received are being sent with replies.

Para 54. These are the works for which no grant was drawn by the Board. They were undertaken because many of them were of an urgent nature and could not be put off.

Para 55(a). The tender other than the lowest was accepted in this case in the best interests of the work. No rule can rigidly be enforced in such cases. It is not known what the reasons other than those recorded in the tender register are required by the Audit Department.

Para 55(b) (1) and (2). The District Board Engineer states that the objections have been replied separately in objec-tion statements for February and March 1935. This is a technical matter where the administrative authority cannot interfere. The District Board Engineer states that the esti-mates were not wantonly split up just to evade the invitation

of tenders. Construction of each culvert was treated as an dividual work. As pointed out by the District Board Engineer rules do not require that all such estimates should be clubbed together.

Para 56. The District Board Engineer states as follows:- The objection is not clearly understood. There seems to be no irregularity of the nature contemplated. Rules do not contemplate obtaining Board's sanction for the Engineer's liability state-ment- Only such of the works for which certificates of funds were furnished by the District Board Engineer were sanctioned the Board for execution. The other incomplete works for which no certificate of funds were furnished were not resumed at all- The capital works left incomplete in the previous year were ---- executed in the subsequent year as there was specific budget provision for each of them in the sanctioned budget estimate of the Board. No separate sanction is therefore necessary.

Para 57,(a). In each and every case the President had recorded reasons for the acceptance of tenders other than the lowest- If these are not acceptable to the Audit Department it is not known what kind of reasons are desired by them. In fact in al-most all cases the tenders were accepted on the specific recommenda--tions of the Technical Officer, the District Board Engineer.

b) There is no rule which says that sections should not be split up. They were split up in the best interests of the roads themselves.

Para 58 . The instructions have been noted by the Engineer. He states that the mistake in question was due to only clerical error

Para 59. The increments of Mr. P.G. Narayan Pai from 1.4.30 to 31.3.33 were with-held without any specific orders of the President in writing. Under Rule 24 of Fundamental Rules and subsidiary instructions there under, increments of permanent incumbents should ordinarily be drawn as a matter of course un-less they are withheld and that in ordinary ord ring the with-holding of an increment, the withholding authority na;

the period for which it is withheld. It is clear from the report of Mr. N. Krishna Pillai dated 7.7.1934 that no such orders were passed by the President in respect of the increments in question. A committee appointed by the Distric Board in its resolution No 134 dated 21.7.34 investigated into the claims of the Section Officer and recommended the payment of the increments and the Board sanctioned the increments in its Resolution No 146 dated 20.9.1934.

For the irregularities in the work and conduct of th Section Officer for the period between 1931 and 1933 the increment of the Section Officer was withheld for the perio 1933/34 and 1934/35 in this Office Proceedings Dis No.2574/ D/1933 a copy of which was communicated to the District Inspector of L.F.Accounts.

Para 60. The District Board Engineer states that the amount has since been adjusted and the item omitted in the further remarks of the Auditor for May to August 1934 received subsequently.

Para 61. The matter is under correspondence with the Dist--rict Board Engineer and will form part of a separate corres--pondence .

Para 62. The question of allowing or otherwise of lump items in the estimate has been referred to legal advisor for opini as desired by the Superintending Engineer. The revised esti mate is pending approval by the Superintending Engineer on account of the settlement of these lump items . On receipt the legal opinion the II revised estimate will be got sanc--tioned by the competent authority .

b) The work was transferred to contractor K. Rudrappa Shetty as per the recommendations of the District Board Engineer, South Kanara, who has furnished the following reasons. "The original idea in addressing Government to --trust the work to Messrs Gannon Dunkerley & Co., ithou calling for tenders was to induce the contractor to the

cancellation of contract but it was found that the contractor was not to this ~~agreement~~ arrangement as already explained, legal opinion was against cancellation. Without the consent of the company, the idea had to be given up. The contract had therefore to be transferred to Rudrappa Shetty with the consent of the original contractor, and for this arrangement no Government sanction was found necessary, as it was only a transfer of contract under the ~~items~~ terms of the agreement".

c) Recovered in C.B.Vr No 223 of March 36.

d) Since utilised on the work

e) Noted

f) & (g) The District Board Engineer reports that a fresh bill has since been received by him as per the latest revised estimate.

h) The District Board Engineer wants to know the items of work to which these receipts are called for . Necessary information may kindly be furnished to him.

(i) The contractor has since made up the rejected concrete. Hence the cost recovered from the Section Officer is refunded to him.

j) The District Board Engineer states that detail measurements have been recorded in the latest measurement book in support of the full quantity of sinking and that he has checked them. The objection therefore does not arise.

Para 63(a) The District Board Engineer states as follows:-

"There is specific provision for the amount in the last revised estimate approved by the Superintending Engineer.

b) The revised estimate submitted to the Superintending Engineer was returned for incorporating all the deviations in the completion report for the work on the ground that no revised estimate was necessary.

c) The copies produced by the company are certified to be correct by an English limited company as the originals were reported to be required for purposes of audit by the Company's auditor.

d) The instructions have been noted by the Engineer.

e) The Engineer states that the period referred to was found to be necessary for the removal of the large quantity of materials which could not be cleared with the time allowed by the Port Authorities.

f) The Engineer states that the issue of the girder from Panemangalore was not for the purpose of the bridge proper. It was issued for a temporary bridge of a small thodu in the approach road for conveying earth by trollies.

A complete account of all spare girders has been maintained and will be produced wherever required.

g) Sanction of the Board will be obtained on receipt of further proposals from the District Board Engineer.

h) The District Board Engineer states that the rent has since been recovered in full vide C.B.Vr No. 251 for November 1935.

Para 64. The District Board Engineer states that most of the vouchers have already been sent to the District Inspector and that others will be produced.

Para 65. The District Board Engineer states as follows:- The metal collected for patch repairs under maintenance was fully used for repairing patches and the same was verified by the Assistant Engineer on 28.7.1934 which fact has been noted by the Section Officer in his diary. These furlongs became very bad and had to be renewed with 1980 cft of metal for each furlong as the original collection was fully used for repairing patches for the safety of the traffic. The pit laterite patches done for the renewal furlongs are for repairing hollows to bring the road surface into higher proper section before the metal is spread, otherwise the metal will sink if earth is used for the same. This was measured and checkmeasured by opening out the bits in several places where such works were done. Since the materials collected for patch repairs under the maintenance were fully spread before 28.7.34, the same was verified by the Assistant Engineer on 28.7.34. There seems to be no irregularity.

Para 66 (a). Generally, owing to paucity of funds long after the acquisition of lands they are actually being used for the purpose for which such lands are acquired. Payment of assessment in such cases was inevitable. In respect of the items mentioned in the absence of connected records detailed reasons for payments made cannot be adduced. The instructions are noted for future guidance

b) Necessary action will ~~for future guidance~~ be taken on receipt of the particulars from the District Board Engineer.

Para 67. The matter is under correspondence.

Para 68. The Engineer states as follows:-

a) The deduction on account of petty supervision and addition of 11½% on account of establishment and tools may be permitted to be made only at the end of the year instead of each month. There could be no objection provided the net grant to be claimed was not drawn in excess.

b) The amounts will be refunded to Government if the details of the works etc are furnished to this Office.

1,2 and 3. The amounts of other items will be refunded to Government early.

c) This is a work undertaken in previous years and left incomplete. The road, it is understood, runs through Government lands only. The connected papers will be traced out and shown at the next audit.

d) The District Board Engineer states that he will show the papers during the next audit.

e) Provision will be made in the revised estimate of the work for this metallic tape.

f) There is provision for this in the revised estimate of the work.

Para 69(a) (b) and (c). The District Board Engineer states as follows:-

a) The amount was received after the accounts for 31st had been closed. Hence it was taken into account on the first

and remitted on the same day.

b) The case in question cannot be considered as withholding collection from remittance. It was only a delay of a single day in remittance which is negligible.

c) This is only a clerical error. Such mistakes will be avoided in future.

Para 70. The matter is being dealt with by the District Board Engineer separately.

Para 71. The District Board Engineer has got now an account of the iron materials and girders. He says that Assistant Engineers have been asked by him to verify the materials in future.

Para 72. The District Board Engineer promises to produce the metal accounts at the next audit.

Para 73.(1) The District Board Engineer has "Noted " this for future guidance.

(2) The District Board Engineer says that there were no balances to be recovered

Para 74. All completion reports received from the District Board Engineer through the District Inspector have been recorded by the Board.

Para 75. These are being obtained by the District Board Engineer.

President, District Board,
South Kanara.

Mangalore, 20. 7. 1936

24/7/36 1/8/36.

Extract from the proceedings of the South Kanara District Board Meeting held on 25th July 1936.

Present

141 Read letter L.F.No.5527 dated 20-2-1936 from the Examiner of L.F.Accounts, Madras, forwarding the Audit Report on the accounts of the General Fund of the District Board for the year 1934-35.

Also draft replies to the audit report.

Resolution:- approved.

Sd. B.Mahabala Hegde
President.

/True Extract/

M. Sunder Rao 18/8/36

for President,
District Board, S.Kanara.

S.B.P/ 17.8.36.

Compd:- 18.8.36

EXAMINER'S OFFICE.

AUDIT REPORT - GENERAL FUND ACCOUNTS-
SOUTH KANARA DISTRICT BOARD -1934-1935.

-

Forwarded to the Secretary to Government, Local Self Government Department, with copies of the President's replies and the resolution of the District Board.

Paragraph 5 (a) of the Audit Report. The objection statements from December 1934 to March 1935 are still pending return with replies in spite of reminders.

Paragraph 5 (b) (19) (i) and (ii) of the Audit Report. In view of the large arrears which were recently written off by the Board, it is necessary that adequate security should be taken in such cases.

Paragraph 5 (b) (23) of the Audit Report. The defects having continued unrectified from 1932-33 calls for very early attention.

Paragraph 7 (b) of the Audit Report. No reply has been given regarding the missing bills referred to in this sub paragraph. If these are not with forthcoming the amounts covered by them will need recovery from the officer responsible.

Paragraph 12 of the Audit Report:-

The provisions of instructions 5 and 6 appended to G.O.No.1116, L. and M., dated the 15th June 1921, not being repugnant to the provisions of Rule 11 (4) (1) of Schedule IV of the Act, they cannot be considered to have been superseded by the latter.

The returns under the former rule are generally to be called for with reference to the verification in the monthly lists furnished by the outdoor officers.

Paragraph 16 (b) of the Audit Report. The President's attention may be invited to Rule 12 of the rules issued with G.O.No. 279, L. and M., dated the 20th January 1933, and the amount required to be remitted by money order if necessary.

Paragraph 21 (d) of the Audit Report. The agreements should be obtained for the entire bid amount irrespective of the amount of security deposit paid so that the other conditions of the lease may be enforced and so as to see that no loss is caused to the provincial funds in the shape of stamp duty.

Paragraph 25 (a) of the Audit Report. The unladen weight of the lorry could easily have been ascertained from the Superintendent of Police and the correct fee due claimed.

The loss of Rs.50/- was avoidable.

Paragraph 26 of the Audit Report. The vouchers have not so far been received in the District Audit Office. The objection statement for March 1935 is also pending return.

Paragraph 31 of the Audit Report. After the issue of G.O.No. 2831, (60 S) L, and M., dated the 31st May 1934, fixing the strength of the establishment under Section 67 (3) of the Madras Local Boards Act of 1920, the Board had no power to alter the strength even temporarily, without

the specific sanction of the Government.

Paragraph 35 of the Audit Report. The President may be asked to report early the result of the investigation.

Paragraph 36 (b) of the Audit Report. The reply refers to the collection of rent from the 1st April 1936. No information has been given as regards rent from January 1935 to March 1936.

Paragraph 52 (4) of the Audit Report. The reasons for the delay in obtaining sanction of the Board to the deviations and to the completion report - relating to a work of 1932-33 have not been stated in the answer.

Paragraph 52 (10) of the Audit Report. Early action should be taken for the refund of the grant objected to.

Paragraph 54 of the Audit Report. In the absence of any relaxation of the ~~rules~~ orders issued in G.O.No.1274, L. and M., dated the 14th March 1934, the special sanction of Government should have been obtained in respect of the capital works referred to.

Paragraph 55 (a) of the Audit Report. The exact reason for which the lowest tenderer was rejected, should have been recorded at the time and should be more specific than the reasons now stated.

Paragraph 52 (13) and 61 of the Audit Report. In view of the fact that this capital work relates to 1924 and 1927 and several objections raised have not yet been settled, the special attention o

the District Board Engineer and the President is necessary for their early settlement.

Paragraph 64 of the Audit Report. Voucher for Rs.26-3-1 still remain to be sent to the audit office.

Paragraph 68 of the Audit Report. The amoun referred to in sub paragraph (b) were refunded to Government on the 14th September 1936.

The recoveries due in respect of the other sub paragraphs are awaited.

R.VENKATARAMA AYYAR,

DEPUTY EXAMINER OF LOCAL FUND ACCOUNTS.

A.R/29.10.1936.

(TRUE COPY)

SUPERINTENDENT.

30/10/36

qp

L&C Dept

(Cw. 33931) From the P.D.B. S. Kanara
No. 7992-A2/35, d. 18-9-36
[Cw 39701] From the Ex^v of L.F.
Accts L.F. No. 3955, d. 19/26/36.

Subject: Works - S. Kanara P.D.B.
Bridge over the Dubikhole -
Construction - claims of
the contractor

Please see the P.D.B's letter
on pp 1-4 C.F. & the Ex^v's
remarks thereon on pp 24-26 C.F.
The question whether the claims
of the contractor should
be admitted is one for the
D.B. to decide and
& the sanction of the Govt
is not called for. Before
informing the P.D.B. accordingly
the remarks of the
S.E.R.D. may be invited.
Attention is to be invited in this
connexion to the notes
& orders on pp 4 & 76 of

Letter para 5
on p. 3 C.F.

95

4793 (8) dated 31-10-36

This is a work executed with the aid of half-grant from Government and has been completed. Whatever claim of the contractor is allowed Government have to make a half grant. If the contractor goes to a court and enforces his claim by a court decree, the costs of the suit will be added to the claim. Besides an adverse decision in a court of law will have a bad moral effect for the district board and will affect its prestige and will shake confidence of contractors in its bona fides. It is therefore desirable that the claims of contractors should be legally and equitably settled. Ordinarily the President, District Board would have settled the claim, but in this case the Superintending Engineer seems to object to the sanctioning of the revised estimate unless "authoritative legal opinion on the matter (of interpretation of the agreement) if necessary through the Government" be obtained. The President, District Board has obtained the legal opinion and has submitted it to Government along with his recommendations for admitting the claims of the contractor.

The claims of the contractor come under two heads:-

1. Tenders were invited for the work on a schedule contract basis stipulating that contractors

should tender specifying at what percentage above or below the estimated ~~and~~ rates they would be prepared to take up the work. In the estimate the quantities of certain items of work were specified at definite rates and for some other items neither the quantities nor rates were specified but a lump sum entered stating "to be paid on actuals." The contractor tendered at 15 per cent. above estimate rates and this was accepted by the President, District Board. The agreement in stamp paper is only a formal ratification of the contract accepted by the President, District Board and as per Art.258 c of the Local Boards Manual the agreement was signed by the District Board Engineer. The estimate was copied in the schedule of the agreement accidentally omitting the words "to be paid on actuals" in the lump sum items. It so happens in this particular case the actual cost of these items exceeds the lump sum provision made in the estimate and copied in the agreement schedule. The contractor claims the actual amount spent whereas the Superintending Engineer would limit the claim to the lump sum amount provided in the estimate. For the first three years (the contract dragged on for over six years) payments were made as though the words "to be paid on actuals" were there and this view formed the basis of the reference in G.O.4180 dated 10-10-1933. The lawyer is of opinion that the agreement has to be read with the tender accepted by the President and all other attendant circumstances and it is not open to the District Board to limit the payment to the amount specified in the lump sum. I think the lawyer's view is correct and it is usual in all schedule contracts to allow payments on actuals in such cases. Lump sum items themselves are provided in estimates merely

Flag (S)

F. 16-7 c 6

because the quantity and nature of work required to be done according to actual requirements during execution. When the department could not estimate the quantity or nature of work to be done and provided lump sum (to be paid on actuals) in the estimate, contractors cannot be expected to know better and they consequently can agree only to be paid on actuals for those items.

2. The second point is payment for work not in the estimate but got done through the contractor by the engineering officers of the department. Clause 6 of the agreement specifically stipulates that the contractor is bound to carry out instructions of the engineer even though they may not be in the estimate. The lawyer states that the claim of the contractor is correct and the District Board is legally bound to pay. Written instructions of the engineer in charge seem to be wanting, but there is the fact that the works were done in the presence of the engineer and were actually measured and billed for. Clause 6 of the agreement does not even specify that the instructions should be in writing. Hence the contractor's claim seems binding on the District Board.

The Examiner of Local Fund Accounts (vide p.24, last para) says that the first part was already decided by Government in G.O.522 dated 27-1-34. This is not correct. What was decided in that G.O. is only that tender percentage should not be allowed for payment of lump sum items. The question now at issue is not for the percentage over the ~~tender~~ L.S. items but whether to pay the acutals or only the amount as per lump sum. In the second point he objects to payment for want of written orders of the Engineer. As above discussed, this view also does not seem correct.

Under the circumstances I think the President, District Board may be asked to settle the claims of the contractor in accordance with law and equity and get the approval of the competent authority for the revised estimate and after sanction apply to Government for the half grant. If necessary a copy of the order may be sent to the Superintending Engineer for information and guidance.

AN
SERD
18/1/37

Seen

21.1

A draft order is submitted below

22/1

SN
23/1

Secy RD.

Secy
25/1

Please see the footnote on pp. 22-23 ante. The question of sanctioning any further grant may be considered after the revised estimate has been sanctioned by the competent authority.

Secy
25/1/37
25.1.37

Secy.

27.1

27.1

C.F. 16.

DRAFT FOR APPROVAL.

11/2/37
Date. Initials.

When received for fair copying ..
When copied .. 28/1
When examined..
When signed ..
When despatched.

SUBJECT:— L&B Dept

Works - South Kanara Dt BD — Bridge over the Dulihole - Construction Claims of the contractor — ~~Orders issued~~ ~~Forbs~~ Settlement — Instructions issued

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. 33931 From the P.D.B., South Kanara. No. 7492 A2-35, dated 18-9-1936.

" 39701 " Ex. & F.A. " 3985 " 20-11-1936.

Order Ms. Resolution—~~Rout.~~ No. 380, dated 28-1-1937.

Mr. 27/1

The P.W.D., South Kanara is informed that he should settle the claims of the contractor in accordance with law and equity. The (X) should get the approval of the competent authority to the revised estimate and then apply to the Govt. for the necessary additional grant for the work.

22/1

S.O. 22/1

27.1

(X) instant case cannot advise him as to how particular points should be dealt with.

Draft sent V.T. 5

28/1

To

The P.W.D., S. Kanara (q to)
" Ex. & F.A. (q to)
Copy to the Supdg Engr Coimbatore ⊙, Coimbatore (with copies of pp 1-4 ~~and~~ q)
Copy to R.D. Section Clerk on O/C

Received.....1936. Registered.....1937.

Abstract

Works

South Kanara District Board - Bridge over the Dulihole - Construction - Claims of the contractor - Settlement - Instructions issued.

- -

Local Self Government Department

G.O. No. Ms. 380- dated 28th January 1937.

Read the following:-

From the President, District Board, South Kanara, No.7492-A2-35 dated 18th September 1936.
From the Examiner of Local Fund Accounts, No.3955 dated 20th November 1936.

O r d e r:-

The President, District Board, South Kanara is informed that he should settle the claims of the contractor in accordance with law and equity. The Government cannot instruct him as to how particular points should be dealt with. He should get the approval of the competent authority to the revised estimate and then apply to the Government for the necessary additional grant for the work.

(By Order of the Government, Ministry of Local Self Government)

T.B.Russell,
Secretary to Government.

To the President, District Board, South Kanara.

" Examiner of Local Fund Accounts.

Copy to the Superintending Engineer Coimbatore Circle, Coimbatore (with encl.).

Forwarded
/By Order/

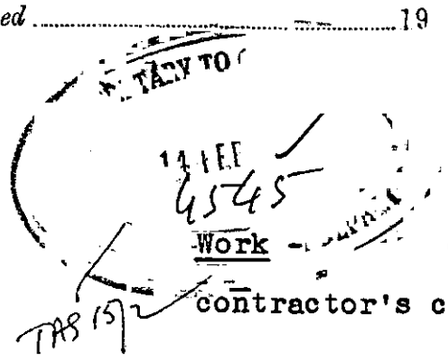
Superintendent.

SRM.28.1.37.

C.F. 30.

DEPARTMENT.

Received ..... 19 *Registered* 19



Subject.

Work - constructing a bridge over Dhuli stream- contractor's claims - legal opinion - return requested.

Enclosures.
No. .....
.....
Spare copies .....

Ref. No. 7492-A2/35

Station Camp-Udipi, *Dated the* 9th February 19 37.

From (Name) M.R.Ry Dewan Bahadur B.Mahabala Hegde Avl. B.A., B.L.

(Designation) President, District Board, S.Kanara

To The Secretary to the Government of Madras,

Local Self Government Department.
Madras.

Sir,

(8) Reference :- G.O.No. Ms. 380, L.S.G., dated 28-1-37.

---

pp 14-21 of (5) The legal opinion sent to Government in original in this office Ref. 7492-A2/35 dated 18-9-36 may kindly be returned for taking further action with reference to the G.O.No. quoted above.

Your obedient servant,

For PRESIDENT.

DJK/11.2.37 11.2.37

Dy. 6/3

S/14-21

Memo No. 4545-IC-1 dy. 6/3/37.

The legal opinion received vide the letter of the PDB, South Kanara, Ref. No. 7492-A2-35 dt. 18-9-36 is returned herewith

6/3

To the PDB
South Kanara
(Vide pp. 14-21 of (S) retd. in orgl.)

Note

After issue, this may be filed vide the GO at (S)

6/3.